

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
LUBBOCK DIVISION**

MARIO RODRIQUEZ,

Plaintiff,

vs.

**SAFECO INSURANCE COMPANY
OF INDIANA,**

Defendant.

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CIVIL ACTION NO. 5:20-cv-00168

APPENDIX TO DEFENDANT'S MOTION FOR SUMMARY JUDGMENT

Pursuant to Local Rule 7.1(i), Defendant Safeco Insurance Company of Indiana files this Appendix to its Motion for Summary Judgment (the "Motion"), and incorporates its contents within the Motion for all purposes.

<u>Document Description</u>	<u>Appendix Page Nos.</u>
Exhibit A Affidavit of Karla Mays	APP 1-4
Exhibit A-1 Certified copy of Policy No. OY7910811	APP 5-66
Exhibit A-2 Safeco's June 20, 2019 email correspondence to Plaintiff attaching Safeco's payment letter and estimate	APP 67-90
Exhibit A-3 Safeco's September 26, 2019 email correspondence to Plaintiff attaching Safeco's payment letter	APP 91-96
Exhibit B Affidavit of Michael C. Diksa	APP 97-100
Exhibit B-1 Safeco's July 21, 2021 correspondence invoking appraisal	APP 101-103
Exhibit B-2 August 8, 2021 correspondence from Plaintiff's counsel designating Plaintiff's appraiser	APP 104-105
Exhibit B-3 The Appraisal Award	APP 106-119
Exhibit B-4 April 18, 2022 letter from Safeco's counsel to Plaintiff's counsel sending Appraisal Award check and TPPCA check	APP 120-126

Exhibit B-5 Federal Express delivery confirmation of Appraisal Award check and TPPCA interest check to Plaintiff's counsel on April 19, 2022	APP 127-131
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Respectfully submitted,

/s/ Michael C. Diksa

MARK D. TILLMAN
State Bar No. 00794742
MICHAEL DIKSA
State Bar No. 24012531

TILLMAN BATCHELOR LLP
5605 N. MacArthur Blvd., Suite 560
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Email: mark.tillman@tb-llp.com
Email: mike.diksa@tb-llp.com

**ATTORNEYS FOR DEFENDANT
SAFECO INSURANCE COMPANY OF
INDIANA**

In accordance with the Federal Rules of Civil Procedure, on July 15, 2022, a true and correct copy of the above and foregoing instrument was served on the following counsel of record electronically or by another manner authorize by Federal Rule of Civil Procedure 5(b)(2):

ATTORNEYS FOR PLAINTIFF

James Willis
Richard D. Daly
DALY & BLACK, P.C.
2211 Norfolk St., Suite 800
Houston, Texas 77098
Facsimile: 713.655.1587
jwillis@dalyblack.com
rdaly@dalyblack.com
ecfs@dalyblack.com

/s/ Michael C. Diksa

MICHAEL C. DIKSA

EXHIBIT A

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
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MARIO RODRIQUEZ,

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CIVIL ACTION NO. 5:20-cv-00168

DECLARATION OF KARLA MAYS

Pursuant to 28 USCA § 1746, Defendant Safeco Insurance Company of Indiana (“Safeco” or “Defendant”) submits this Declaration of Karla Mays in support of its Motion for Summary Judgment as follows:

1. “My name is Karla Mays. My date of birth is December 22, 1975, and my address is 7900 Windrose Ave., Plano, Texas 75024. I am over 18 years of age, of sound mind and competent to make this declaration, and I declare under penalty of perjury that the statements herein are within my personal knowledge and are true and correct.

2. I hold the position of Senior Claims Examiner for Safeco. I was personally involved with the claim made the basis of Plaintiff’s lawsuit, and have personal knowledge of the claim file associated with his claim. Attached hereto and incorporated by reference into Defendant’s Motion for Summary Judgment are the following records from Defendant’s records and files:

- Exhibit A-1: Certified copy of Policy No. OY7910811
- Exhibit A-2: Safeco’s June 20, 2019 email correspondence to Plaintiff attaching Safeco’s payment letter and estimate;

- Exhibit A-3: Safeco's September 26, 2019 email correspondence to Plaintiff attaching Safeco's payment letter;

3. The records listed above as Exhibits A-1 through A-3 are kept by Safeco in the regular course of business, and it was the regular course of business of Safeco for an employee or representative of Safeco, with knowledge of the act, event, condition, opinion, or diagnosis, recorded to make the record or to transmit information thereof to be included in such record; the records were made by, or from information transmitted by, persons with knowledge of the matters set forth in them. The records were made at or near the time or reasonably soon thereafter. It is the regular practice of the business activity to make these records. These records attached hereto and incorporated by reference into Safeco's Motion for Summary Judgment are the originals or exact duplicates of the originals.

4. I am aware that the claim at issue in the above-referenced lawsuit is number 040013426-01, with a reported date of loss of May 25, 2019. Safeco insured Plaintiff's residential property located at 651 Well Rd., Plainview, Texas 79072 (the "Property") under Policy No. OY7910811, effective February 20, 2019 through February 20, 2020 (the "Policy").

5. I am aware that Plaintiff first reported the claim to Safeco on or about May 26, 2019. Safeco's representative conducted an initial inspection of the Property on or about June 1, 2019. Safeco subsequently prepared an estimate that reflected a replacement cost value ("RCV") of \$42,140.23 and an actual case value ("RCV") of \$41,287.94. On or about June 20, 2019, Safeco issued payments to Plaintiff totaling \$27,449.88 after applying the Other Structures limit in the Policy.

6. On or about September 26, 2019, Safeco issued a second payment to Plaintiff in the amount of \$1,000.00, reflecting the Policy limit for motorized land vehicles in response to a repair invoice for damage to Plaintiff's all-terrain vehicle.

Further declarant sayeth not."

Executed on this 14th day of July 2022.


KARLA MAYS

EXHIBIT A-1

AFFIDAVIT

State of Indiana

County of Hamilton

NAME OF INSURED MARIO RODRIQUEZ

POLICY NUMBER: OY7910811

POLICY DATES: 02-20-2019 TO 02-20-2020

Wade Duncan, archivist of Safeco Insurance Company of Indiana, has compared the attached copies of the insurance policy number listed above and its endorsements with the original records of the policy of insurance and endorsements contained in the Company's files and that the same is a true and exact recital of all the provisions in the said original policy and endorsements attached thereto.

Wade Duncan

Policy Copy Archivist

June 29, 2020

PEDAL CAR, LLC
522 ASH ST
PLAINVIEW TX 79072-8018

February 20, 2019

Policy Number: OY7910811

24-Hour Claims: 1-800-332-3226

Policy Service: (806) 293-2651

Online Account Services: www.safeco.com

THIS IS NOT A BILL.

MARIO RODRIQUEZ
651 WELL RD
PLAINVIEW TX 79072-0009

Welcome to Safeco!

We believe insurance shouldn't be any more complex than it has to be. Welcome to an easier experience with Safeco.

Enclosed is your new homeowners policy. Read it through carefully. It will give you a detailed description of the type and amount of your coverage, any deductibles (your out-of-pocket costs) that apply and the effective date of your policy. If, after reading your policy, you have any questions or want to find out about discounts that may apply to your policy, please call (806) 293-2651.

Your policy has a special deductible for losses caused by wind or hail. Please see your declarations page for the dollar amount of this deductible.

The annual premium for your policy is \$1,893.00. We have asked your mortgage company to pay the premium from your escrow account.

For added convenience, visit www.safeco.com and make use of our automated services available to you including, but not limited to:

- Make a payment by online check, or credit card.
- Review your billing history.
- Change your billing due date.
- View your policy documents.
- Order a copy of your policy and/or insurance ID cards.
- Report to us a name change, or change of address.
- Review Safeco's Producer Compensation Disclosure.

For all other assistance please call your agent at (806) 293-2651.

Thank you for your business. We look forward to serving you.

PLEASE SEE REVERSE
SAFECO INSURANCE COMPANY OF INDIANA
P O BOX 515097, LOS ANGELES, CA 90051

APP 7

SAFECO 002856

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Ask yourself: Do you have enough insurance coverage?

How much would it take to reconstruct your home?

Surprisingly, it has been estimated that 58% of American homes are underinsured by an average of 21%*. Make sure yours isn't one of them.

Each home is unique. You know your home best. It's your responsibility to make sure you're "fully insured" and "insured to value." That means you need to have enough insurance coverage to rebuild your home and replace all of your personal belongings in the event of total loss.

How can you determine your needs? Ask yourself the questions below. If you need help answering them, call your agent and discuss your insurance needs with them.

They will assist you in determining how much insurance would be needed to fully protect your home and belongings.

How much would it take to reconstruct your home at today's prices?

Things to consider:

- Your home's age (older homes tend to be more expensive to reconstruct) and style (contemporary, colonial, ranch, etc.)
- Features — fireplaces, cabinetry, built-in features, vaulted ceilings
- Flooring — hardwood, tile, natural stone, carpeting
- Finishes — crown molding, window and floor trim, faux paint, wall paper, wainscoting, chair rails, staircases, etc.
- Recent improvements you may have made (remodeled bathroom or kitchen, recessed lighting, built-in cabinets)
- A basement you may have finished or a room you may have added

How much is enough to replace the structures surrounding your home at today's prices?

Things to consider:

- Your fence, detached garage, gazebo, barn or storage shed
- If you have an in-ground swimming pool or just repaved your driveway or sidewalk

What would it take to replace your personal belongings at today's prices?

Things to consider:

- All your basics (furniture, rugs, linens, kitchenware, tools) and every electronic gadget
- Your entire wardrobe, your jewelry, medicines and personal effects
- Have you made any big purchases lately?
- If you have a garage full of tools, are passionate about the latest gadgets or collect just about anything, you should seriously consider getting more personal belongings coverage than the standard policy provides.

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APP 9

Let's make sure you're "fully insured."

Your agent uses replacement cost estimation tools to establish a starting point for your insurance coverage. But you know your home best. And we look to you to give your agent the most complete, up-to-date information in order to protect your home and lifestyle. Here are two quick things you can do today:

1. **Look critically at your coverage statement page (also known as the policy declarations page, which comes after the opening letter in this package).** Do you believe you have enough Coverage A? (This is the amount you'd get for reconstruction of an as-close-as-possible replica of your home in the event of total loss.) If you're not sure, call your agent for help.
2. **Take inventory.** Compare the value of your personal belongings to the Coverage C amount on your coverage statement page. Safeco has created a form that can help you get started. You'll find it at [Safeco.com/homeinventory](https://www.safeco.com/homeinventory).

It's important to know: your home's market value is totally different from what it would cost to reconstruct. Today's market value reflects economic conditions, taxes, school districts, the market value of land and many other factors that have nothing to do with how much it would cost to reconstruct your home from scratch.

Reconstruction cost — the amount needed to get you back home quickly — is based almost exclusively on the cost of materials and labor as well as demand for contractor services. In the event of total loss, a properly insured Safeco policyholder can rebuild with the same quality of materials and workmanship in their current home (unless a functional replacement cost policy was deliberately selected). Of course, we hope you'll never need these services. But we'll all sleep better knowing you're fully insured.

Thank you for trusting Safeco with your home insurance needs.

4892X

1. IMPORTANT NOTICE

To obtain information or make a complaint:

2. You may contact your agent at the number indicated on the Declarations Page or on the renewal bill.
3. You may call our toll-free telephone number for information or to make a complaint at:

1-800-332-3226

4. You may also write to us at:

Safeco Insurance Companies
P.O. Box 833960
Richardson, TX 75083-3960

5. You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights, or complaints at:

1-800-252-3439

6. You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 490-1007

Web: www.tdi.texas.gov
E-mail: ConsumerProtection@tdi.texas.gov

To obtain price and policy form comparisons and other information relating to residential property insurance and personal automobile insurance, you may visit the Texas Department of Insurance/Office of Public Insurance Counsel website:

www.helpinsure.com

7. PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

8. ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

1. AVISO IMPORTANTE

Para obtener información o para presentar una queja:

2. Usted puede comunicarse con su agente al número de teléfono indicado en la Página de Declaraciones o en la cuenta de renuevo.
3. Usted puede llamar al número de teléfono gratuito de compañías, para obtener información o para presentar una queja al:

1-800-332-3226

4. Usted también puede escribir de compañías, a:

Safeco Insurance Companies
P.O. Box 833960
Richardson, TX 75083-3960

5. Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos o quejas al:

1-800-252-3439

6. Usted puede escribir al Departamento de Seguros de Texas a:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 490-1007

Web: www.tdi.texas.gov
E-mail: ConsumerProtection@tdi.texas.gov

Para obtener formas la comparación de precios y pólizas y para obtener otra información sobre el seguro de propiedad residencial y de seguro de automóvil personal, visite el sitio web del Departamento de Seguros de Texas / Oficina del Asesor Público de Seguros:

www.helpinsure.com

7. DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES:

Si tiene una disputa relacionada con su prima de seguro o con una reclamación, usted debe comunicarse con el agente o la compañía primero. Si la disputa no es resuelta, usted puede comunicarse con el Departamento de Seguros de Texas.

8. ADJUNTE UNA ESTE AVISO A SU PÓLIZA:

Este aviso es solamente para propósitos informativos y no se convierte en parte o en condición del documento adjunto.

APP 11

EXHIBIT A-1

SAFECO 002860

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Consumer Privacy Statement

Safeco appreciates the trust you place in us when you purchase insurance from one of our companies. We are committed to protecting your nonpublic personal information ("personal information") and we value you as a customer.

To learn more about how Safeco collects and uses your personal information, please read the following notice.

Safeco's sources of information about you

We collect personal information about you from different sources, including:

- The information you provide on applications or other forms (such as your name, address and Social Security number);
- Your transactions with us, our affiliates or others (such as your payment history and claims information);
- The information we receive from a consumer reporting agency or insurance support organization (such as your credit history, driving record or claims history); and
- Your independent insurance producer (such as updated information pertaining to your account).

Safeco's use of your personal information

We only disclose personal information about our customers and former customers as permitted by law. Generally, this includes sharing it with third parties to administer your transactions with us, service your insurance policy or claim, detect and prevent fraud, or with your authorization. These third parties may include independent insurance producers authorized to sell Safeco insurance products, independent contractors (such as automobile repair facilities and property inspectors), independent claims representatives, insurance support organizations, other insurers, auditors, attorneys, courts and government agencies. We may also disclose your personal information to other financial institutions with whom we have joint marketing agreements. When we disclose your information to these individuals or organizations, we require them to use it only for the reasons we gave it to them.

We may also share information about our transactions (such as payment history and products purchased) and experiences with you (such as claims made) within our Safeco family of companies.

Safeco does not sell your personal information to others and we do not provide your information to third parties for their own marketing purposes.

Independent Safeco Insurance Agents

The independent insurance agents authorized to sell Safeco products are not Safeco employees and not subject to Safeco's Privacy Policy. Because they have a unique business relationship with you, they may have additional personal information about you that Safeco does not have. They may use this information differently than Safeco. Contact your Safeco distributor to learn more about their privacy practices.

Information about Safeco's web site

If you have internet access and want more information about our web site specific privacy and security practices, click on the Privacy Policy link on www.safeco.com.

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We maintain physical, electronic and procedural safeguards to protect your personal information. Our employees are authorized to access customer information only for legitimate business purposes.

State Privacy Laws

This privacy statement may be supplemented by privacy laws in your state. We will protect your information in accordance with state law.

This Privacy Statement applies to the following members of the Safeco family of companies:

**American Economy Insurance Company
American States Insurance Company
American States Insurance Company of Texas
American States Lloyds Insurance Company
American States Preferred Insurance Company
First National Insurance Company of America
General Insurance Company of America
Insurance Company of Illinois
Liberty County Mutual Insurance Company
Safeco Insurance Company of America
Safeco Insurance Company of Illinois
Safeco Insurance Company of Indiana
Safeco Insurance Company of Oregon
Safeco Lloyds Insurance Company
Safeco National Insurance Company
Safeco Surplus Lines Insurance Company**

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POLICYHOLDER NOTICE

Your homeowners, condominium or renters policy contains exclusions for loss due to ***pollutants*** and ***contaminants***. ***Pollutants*** and ***contaminants*** are defined in your policy to include, among other materials, liquid fuels, lead and asbestos.

Please read your policy with all endorsements and discuss any questions with your independent agent or broker.

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CONSUMER BILL OF RIGHTS

Homeowners, Dwelling Fire and Renters Insurance

AVISO: Este documento es un resumen de sus derechos como asegurado. Usted tiene el derecho a llamar a su compañía y pedir una copia de estos derechos en español.

What is the Bill of Rights?

This Bill of Rights is a summary of your rights and does not become a part of your policy. The Texas Department of Insurance (TDI) adopted the Bill of Rights and requires insurance companies to provide you a copy when they issue your policy.

Texas law gives you certain rights regarding your homeowners, dwelling and renters insurance. This Bill of Rights identifies your rights specified by rule or by state statute, but it does not include all of your rights. Also, some exceptions to the rights are not listed here. Legislative or regulatory changes to statutes or rules may affect your rights as an insured. If your agent, company, or adjuster tells you that one of these rights does not apply to you, contact TDI's Consumer Protection program at 1-800-252-3439, by mail at Mail Code 111-1A, P.O. Box 149091, Austin, TX 78714-9091, or by email at ConsumerProtection@tdi.texas.gov. For a list of the specific law(s) and/or rule(s) summarized in each item of this Bill of Rights, or if you have questions or comments contact the Office of Public Insurance Counsel (OPIC) toll free at 1-877-611-6742, by mail at 333 Guadalupe, Suite 3-120, Austin, TX 78701, or visit the OPIC website at www.opic.state.tx.us.

This Bill of Rights does not address your responsibilities. Your responsibilities concerning your insurance can be found in your policy. Failure to meet your obligations may affect your rights.

Getting information from the Department of Insurance and your insurance company

1. **INFORMATION FROM TDI.** You have the right to call TDI free of charge at 1-800-252-3439 to learn more about:

- your rights as an insurance consumer;
- the license status of an insurance company or agent;
- the financial condition of an insurance company;
- the complaint ratio and type of consumer complaints filed against an insurance company;
- use of credit information by insurance companies, including which insurance companies use it and access to each company's credit scoring model;
- an insurance company's rates filed with the state;
- an insurance company's underwriting guidelines (subject to exemptions in the Public Information Act, also known as the Open Records Act);
- the Texas FAIR Plan, designed to help consumers who have been denied coverage by at least two insurance companies; and
- other consumer concerns

You can also find some of this information on the TDI website at www.tdi.texas.gov.

At www.helpinsure.com, Texans can find more detailed information on their current and prospective insurers. TDI, in conjunction with OPIC, maintains this website to help Texans shop for residential property insurance and personal automobile insurance. For companies writing in Texas that are in the top 25 company groups nationally, the site also includes:

- a list of insurers by county and/or ZIP code;
- detailed contact information for each insurer;
- sample rates and a brief history of increases and/or decreases in the rates;
- policy form comparisons;
- a list of policy forms, exclusions, endorsements, and discounts offered by each insurer; and
- nonconfidential disciplinary actions against each insurer.

APP 15

SAFECO 002864

2. **INFORMATION FROM YOUR INSURANCE COMPANY.** You have the right to a toll-free number to call your insurance company free of charge with questions or complaints. You can find this number on a notice accompanying your policy. This requirement does not apply to small insurance companies.

What you should know before you buy insurance

3. **PROHIBITED STATEMENTS.** Your insurance company or agent is prohibited from making false, misleading, or deceptive statements to you relating to insurance.
4. **LENDER-REQUIRED INSURANCE.** A lender cannot require you to purchase insurance on your property in an amount that exceeds the replacement cost of the dwelling and its contents as a condition of financing a residential mortgage or providing other financing arrangements for the property, regardless of the amount of the mortgage or other financing arrangements. In determining the replacement cost of the dwelling, a lender cannot include the fair market value of the land on which a dwelling is located.
5. **CREDIT INFORMATION.** An insurance company cannot deny you insurance solely on the basis of credit information. Insurers who use credit information must also consider other underwriting factors independent of credit information when deciding whether to offer coverage. (For additional information see the section of this Bill of Rights titled *What you should know about insurance companies' use of credit information.*)
6. **APPLIANCE RELATED WATER DAMAGE CLAIMS.** An insurance company cannot deny you insurance or increase your premium based on a prior appliance-related water damage claim if:

- the claim has been properly repaired or remediated; and
- the repair or remediation was inspected and certified.

NOTE: A company can use an appliance-related water damage claim if you file 3 or more such claims in a 3-year period and the company has paid the claims. A claim includes a claim filed by you or a claim filed on your property.

7. **WATER CLAIMS/MOLD DAMAGE OR CLAIMS.** An insurance company cannot deny you insurance based solely on a single prior water damage claim. An insurance company also cannot deny you insurance because of prior mold damage or a prior mold claim if:
- the damage or claim was properly repaired or remediated; and
 - the repair or remediation was inspected and certified.

NOTE: A claim includes a claim filed by you or a claim filed on your property.

8. **PROPERTY CONDITION.** Voluntary Inspection Program: You have the right to have an independent inspection of your property by any person authorized by the Commissioner of Insurance to perform inspections. Once the inspector determines that your property meets certain minimum requirements and issues you an inspection certificate, no insurer may deny coverage based on property conditions without reinspecting your property. If an insurer then denies coverage, the insurer must identify, in writing, the specific problem(s) that makes your property uninsurable. You can find a list of available inspectors on the TDI website at www.tdi.texas.gov/company/vipagnt.html or you can contact TDI for the list directly at 1-800-252-3439.
9. **SAFETY NET.** You may have the right to buy basic homeowners insurance through the Texas Fair Access to Insurance Requirements Plan, also known as the Texas FAIR Plan, if you have been denied coverage by two insurance companies. Your property must meet certain requirements, and eligibility for FAIR Plan coverage must be reestablished every two years. You can access a list of insurance agents who are authorized to sell this coverage on the Texas FAIR Plan Association website at www.texasfairplan.org or by calling 1-800-979-6440.
10. **WINDSTORM COVERAGE.** For property located in areas designated by the Commissioner in certain counties on or near the coast, you may have the right to buy windstorm and hail coverage from the Texas Windstorm Insurance Association (TWIA), if you have been denied windstorm coverage by one insurance company in the standard market currently providing windstorm coverage. Your property must meet certain requirements, and eligibility for TWIA coverage must be re-established every 3 years. You may have to re-establish eligibility sooner than every 3 years if you have made any repairs or alterations to your home. Windstorm coverage through TWIA is limited to a maximum amount set each year by the Commissioner of Insurance. This right applies whether or not you buy other insurance for your house. In all other counties your homeowners or dwelling policy includes windstorm and hail coverage unless you request that this coverage be removed from your policy.

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NOTE: If you live in a certain flood zone (Zone V, Zone VE and Zone V1-130) and your dwelling was constructed, altered, remodeled or enlarged after September 1, 2009, you must purchase flood insurance through the National Flood Insurance Program (NFIP) in order to be eligible to purchase windstorm coverage through TWIA. However, if NFIP does not provide flood insurance in your area, you are not required to purchase it.

11. **ELECTRONIC PAYMENTS.** If you authorize your insurer to withdraw your premium payments directly from your financial institution, including your escrow account, your insurer cannot increase the amount withdrawn unless:

- the insurer notifies you by U.S. mail of the increase in premium at least 30 days prior to its effective date; and
- you do not notify the insurer that you object to the increase in the amount to be withdrawn at least 5 days prior to the increase.

The notice provided by the insurer must include a toll-free number, a mailing address and an email address (if applicable), through which you can contact the insurer to object to the increase.

NOTE: This does not apply to premium increases specifically scheduled in the original policy, to increases based on policy changes you request, or to an increase that is less than \$10 or 10% of the previous month's payment.

12. **NOTICE OF REDUCED COVERAGE.** If an insurer uses an endorsement to reduce the amount of coverage provided by your policy, the insurer must give you a written explanation of the change made by the endorsement. The insurer must provide the explanation not later than the 30th day before the effective date of the new or renewal policy. An insurance company cannot reduce coverage during the policy period unless you request the change. If you request the change, the company is not required to provide notice.
13. **NOTICE OF PREMIUM INCREASE.** If your insurer intends to increase your premium by 10% or more upon renewal, the insurer must send you notice of the rate increase at least 30 days before your renewal date.
14. **EXPLANATION OF DENIAL.** Upon request, you have the right to be told in writing why you have been denied coverage. The written statement must fully explain the decision, including the precise incidents, circumstances, or risk factors that disqualified you. It must also state the sources of information used.

NOTE: The obligation to provide a written explanation applies to insurance companies directly. An independent agent does not have a specific duty to quote the lowest possible rate to a consumer or to provide a written statement explaining why the agent did not offer the consumer the lowest possible rate.

15. **CUSTOMER INQUIRY.** An insurance company cannot use a customer inquiry as a basis for denying you coverage or determining your premium.

NOTE: A customer inquiry includes:

- general questions about your policy;
- questions concerning the company's claims filing process; and
- questions about whether the policy will cover a loss unless the question concerns specific damage that has occurred and that results in an investigation or claim.

16. **RATE DIFFERENTIAL WITHIN A COUNTY.** If an insurer subdivides a county for the purposes of charging different rates for each subdivision, the difference between the lowest and the highest rate cannot exceed 15% unless actuarially justified.
17. **RIGHT TO PRIVACY.** You have the right to prevent an insurance company, agent, adjuster or financial institution from disclosing your personal financial information to companies that are not affiliated with the insurance company or financial institution. Some examples are income, social security number, credit history and premium payment history.

If you apply for a policy, the insurance company or financial institution must notify you if it intends to share financial information about you and give you at least 30 days to refuse. This refusal is called "opting out." If you buy a policy, the insurance company or financial institution must tell you what information it collects about you and whether it intends to share any of the information, and give you at least 30 days to opt out. Agents and adjusters who intend to share your information with anyone other than the insurance company or financial institution must give you similar notices.

APP 17

You can opt out at any time. Your decision to opt out remains in effect unless you revoke it.

These protections do not apply to information:

- publicly available elsewhere;
- insurance companies or financial institutions are required by law to disclose; or
- insurance companies or financial institutions must share in order to conduct ordinary business activities.

What you should know about cancellation and nonrenewal

Cancellation means that **before the end** of the policy period the insurance company:

- terminates the policy;
- reduces or restricts coverage under the policy; or
- refuses to provide additional coverage to which you are entitled under the policy.

Refusal to renew and **non-renewal** mean the policy terminates **at the end** of the policy period.

The **policy period** is shown on the declarations page at the front of your policy.

18. ***LIMITATION ON CANCELLATION FOR HOMEOWNERS AND RENTERS POLICIES.*** After your initial homeowners or renters policy with your company has been in effect for 60 days or more, that insurance company cannot cancel your policy unless:

- you don't pay your premium when due;
- you file a fraudulent claim;
- there is an increase in the hazard covered by the policy that is within your control and results in an increase in the premium rate of your policy; or
- TDI determines continuation of the policy would result in violation of insurance laws.

If your policy has been in effect for less than 60 days, your insurance company cannot cancel your policy unless:

- one of the reasons listed above applies;
- the insurance company identifies a condition that:
- creates an increase in hazard;
- was not disclosed on your application; and
- is not the subject of a prior claim; or
- the insurance company rejects a required inspection report within 10 days after receiving the report. The report must be completed by a licensed or authorized inspector and cannot be more than 90 days old.

19. ***LIMITATION ON CANCELLATION FOR DWELLING POLICIES.*** After your initial dwelling policy with your company has been in effect for 90 days, that insurance company cannot cancel your policy unless:

- you don't pay your premium when due;
- you file a fraudulent claim;
- there is an increase in the hazard covered by the policy that is within your control and results in an increase in the policy premium; or
- TDI determines continuation of the policy would result in violation of insurance laws.

20. ***NOTICE OF CANCELLATION.*** To cancel your policy, your insurance company must mail notice at least 10 days prior to the effective date of the cancellation. Your policy may provide for even greater notice.

21. ***POLICYHOLDER'S RIGHT TO CANCEL.*** You have the right to cancel your policy at any time and receive a refund of the remaining premium.

22. ***CHANGE IN MARITAL STATUS.*** If your marital status changes, you have the right to continue your insurance coverage. You have a right to a new policy in your name with coverages that most nearly approximate the coverages of your prior policy, including the same expiration date. The insurance company cannot date the new policy so that a gap in coverage occurs.

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23. **USE OF CLAIMS HISTORY TO NONRENEW OR DETERMINE RENEWAL PREMIUM.** Your insurance company cannot use claims you filed as a basis to nonrenew your policy unless:
- you file three or more claims in any 3-year period; and
 - your insurer notified you in writing after the second claim that filing a third claim could result in nonrenewal of your policy.
 - Your insurance company cannot use the following types of claims to determine the number of claims you have filed or to determine your premium if your policy is renewed:
 - claims for damage from natural causes, including weather-related damage;
 - appliance-related water damage claims where the repairs have been inspected and certified; or
 - claims filed but not paid or payable under the policy.
- NOTE: An insurance company can count appliance-related claims if 3 or more such claims are filed and paid within a 3-year period.
24. **USE OF CREDIT INFORMATION TO NONRENEW.** An insurance company cannot refuse to renew your policy solely on the basis of credit information. Insurers who use credit information must also consider other underwriting factors independent of credit information when deciding whether to renew coverage. (For additional information see the section of this Bill of Rights titled *What you should know about insurance companies' use of credit information*.)
25. **NOTICE OF CHANGE IN POLICY FORM.** Your insurer must notify you in writing of any difference between your current policy and each policy offered to you when the policy renews.
26. **NOTICE OF NONRENEWAL.** If the insurance company does not mail you notice of nonrenewal at least 30 days before your policy expires, you have the right to require the insurance company to renew your policy.
27. **EXPLANATION OF CANCELLATION OR NONRENEWAL.** Upon request, you have the right to a written explanation of an insurance company's decision to cancel or non-renew your policy. The written statement must fully explain the decision, including the precise incidents, circumstances, or risk factors that disqualified you. It must also state the sources of information used.

What you should know when you file a claim

28. **FAIR TREATMENT.** You have the right to be treated fairly and honestly when you make a claim. If you believe an insurance company has treated you unfairly, call TDI at 1-800-252-3439 or download a complaint form from the TDI website at www.tdi.texas.gov. You can complete a complaint form on-line via the Internet or fax a completed form to TDI at 512-490-1007.
29. **SETTLEMENT OFFER.** You have the right to reject any settlement amount, including any unfair valuation, offered by the insurance company. You have the right to have your home repaired by the repair person of your choice.
30. **EXPLANATION OF CLAIM DENIAL.** Your insurance company must tell you in writing why your claim or part of your claim was denied.
31. **TIMEFRAMES FOR CLAIM PROCESSING AND PAYMENT.** When you file a claim on your own policy, you have the right to have your claim processed and paid promptly. If the insurance company fails to meet required claims processing and payment deadlines, you have the right to collect 18% annual interest and attorney's fees in addition to your claim amount.

Generally, within **15 calendar days**, your insurance company must acknowledge receipt of your claim and request any additional information reasonably related to your claim. Within **15 business days** (30 days if the company reasonably suspects arson) after receipt of all requested information, the company must approve or deny your claim in writing. The law allows the insurance company to extend this deadline up to **45 days** if it notifies you that more time is needed and tells you why.

After notifying you that your claim is approved, your insurance company must pay the claim **within 5 business days**.

If your claim results from a weather-related catastrophe or other major natural disaster as defined by TDI, these claims handling deadlines are extended for an additional 15 days.

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32. **RELEASE OF CLAIM FUNDS.** Often an insurance company will make a claim check payable to you and your mortgage company or other lender and will send it to the lender. In that case, the lender must notify you within 10 days of receipt of the check and tell you what you must do to get the funds released to you.

Once you request the funds from the lender, within 10 days the lender must:

- release the money to you; or
- tell you in specific detail what you must do to get the money released.

If the lender does not provide the notices mentioned above or pay the money to you after all requirements have been met, the lender must pay you interest on the money at 10% per year from the time the payment or the notices were due.

33. **NOTICE OF LIABILITY CLAIM SETTLEMENT.** Your insurance company must notify you if it intends to pay a liability claim against your policy. The company must notify you in writing of an initial offer to compromise or settle a claim against you no later than the 10th day after the date the offer is made. The company must notify you in writing of any settlement of a claim against you no later than the 30th day after the date of the settlement.
34. **INFORMATION NOT REQUIRED FOR CLAIM PROCESSING.** You have the right to refuse to provide your insurance company with information that does not relate to your claim. In addition, you may refuse to provide your federal income tax records unless your insurer gets a court order or your claim involves lost income or a fire loss.

What you should know about prohibited discrimination

35. **PROTECTED CLASSES.** An insurance company cannot discriminate against you by refusing to insure you; limiting the amount, extent or kind of coverage available to you; charging you a different rate for the same coverage; or refusing to renew your policy:

- because of race, color, religion, gender, marital status, disability or partial disability, or national origin; or
- unless justified by actual or anticipated loss experience, because of age or geographic location.

36. **AGE OF HOUSE.** An insurance company cannot refuse to insure your property based on the age of your house.

However, an insurance company may refuse to sell you insurance coverage based on the condition of your property, including the condition of your plumbing, heating, air conditioning, wiring and roof.

37. **VALUE OF PROPERTY.** An insurance company cannot refuse to insure your property because the value is too low or because the company has established minimum coverage amounts.
38. **UNDERWRITING GUIDELINES.** Underwriting guidelines may not be unfairly discriminatory and must be based on sound actuarial principles.
39. **EQUAL TREATMENT.** Unless based on sound actuarial principles, an insurance company may not treat you differently from other individuals of the same class and essentially the same hazard. If you sustain economic damages as a result of such unfair discrimination, you have the right to sue that insurance company in Travis County District Court.

If your suit prevails, you may recover economic damages, court costs and attorney and necessary expert witness fees. If the court finds the insurance company knowingly violated your rights, it may award up to an additional \$25,000 per claimant.

You must bring the suit on or before the second anniversary of the date you were denied insurance or the unfair act occurred or the date you reasonably should have discovered the occurrence of the unfair act. If the court determines your suit was groundless and you brought the lawsuit in bad faith, or brought it for the purposes of harassment, you will be required to pay the insurance company's court costs and attorney fees.

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What you should know about insurance companies' use of credit information

40. REQUIRED DISCLOSURE. If an insurance company uses credit information to make underwriting or rating decisions, the company must provide you a disclosure statement within 10 days after receiving your completed application for insurance.

- The disclosure indicates whether the insurer will obtain and use your credit information and lists your specific legal rights, including:
- credit information insurance companies cannot use against you;
- how you can get reasonable exceptions that your insurer is required to make to its use of credit information if certain life events, such as divorce, death of a close family member, or identity theft, hurt your credit;
- the notice* an insurer must send you when making a credit-based decision that harms your ability to get or keep insurance or requires you to pay a higher premium; and
- how you can dispute credit information and require an insurer to re-rate your policy if the rate was increased because of inaccurate or unverifiable credit information.

* The notice must include a description of up to four primary factors that influenced the action taken by the insurer.

Generalized terms such as "poor credit rating" are not sufficient.

Insurers must use the disclosure form (CD-1) adopted by the Commissioner or an equivalent disclosure form filed prior to use with TDI. The CD-1 is available at www.tdi.texas.gov/forms/pcpersonal/pc328c or by calling 1-800-252-3439. Additional information regarding insurers' use of credit information is available at www.tdi.texas.gov/credit/credit.html.

What you should know about enforcing your rights

41. FILING COMPLAINTS. You have the right to complain to TDI about any insurance company and/or insurance matter and to receive a prompt investigation and response to your complaint. To do so, you should:

- call TDI's Consumer Help Line at 1-800-252-3439 for service in both English and Spanish;
- write to the Texas Department of Insurance, Consumer Protection, Mail Code 111-1A, P.O. Box 149091, Austin, Texas 78714-9091;
- e-mail TDI at ConsumerProtection@tdi.texas.gov;
- fax your complaint to 512-490-1007;
- download or complete a complaint form online from the TDI website at www.tdi.texas.gov; or
- call the TDI Publications/Complaint Form order line at 1-800-599-SHOP (7467), (305-7211 in Austin). The order line is available 24 hours a day, 7 days a week.

NOTE: TDI offers interpreter services and publications in alternate formats. Persons needing more information in alternate layouts or languages can call the *TDI Consumer Help Line* listed above.

- 42. RIGHT TO SUE.** If an insurance company violates your rights, you may be able to sue that company in court, including small claims court, with or without an attorney.
- 43. BURDEN OF PROOF.** If you sue to recover under your insurance policy, the insurance company has the burden of proof as to any application of an exclusion in the policy and any exception to or other avoidance of coverage claimed by the insurer.
- 44. REQUESTING NEW RULES.** You have the right to ask in writing that TDI make or change rules on any residential property insurance issue that concerns you. Send your written request to: Texas Department of Insurance, Attn: Commissioner (113-2A), P.O. Box 149104, Austin, TX 78714-9104.

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USE OF CREDIT INFORMATION DISCLOSURE

Insurer's Name Safeco Insurance Company of Indiana
 Address PO Box 515097
 Los Angeles, CA 90051-5097
 Telephone Number (toll free if available) 1-800-332-3226

We ☒ will ☐ will not (choose one) obtain and use credit information on you or any other member(s) of your household as part of the insurance credit scoring process.

If you have questions regarding this disclosure, contact the insurer at the above address or phone number. For information or other questions, contact the Texas Department of Insurance at 1-800-252-3439 or P.O. Box 149091, Austin, Texas 78714.

Article 21.49-2U, Sec. 7(d), of the Texas Insurance Code requires an insurer or its agents to disclose to its customers whether credit information will be obtained on the applicant or insured or on any other member(s) of the applicant's or insured's household and used as part of the insurance credit scoring process.

If credit information is obtained or used on the applicant or insured, or on any member of the applicant's or insured's household, the insurer shall disclose to the applicant the name of each person on whom credit information was obtained or used and how each person's credit information was used to underwrite or rate the policy. An insurer may provide this information with this disclosure or in a separate notice.

Adverse effect means an action taken by an insurer in connection with the underwriting of insurance for a consumer that results in the denial of coverage, the cancellation or nonrenewal of coverage, or the offer to and acceptance by a consumer of a policy form, premium rate, or deductible other than the policy form, premium rate, or deductible for which the consumer specifically applied.

Credit information is any credit-related information derived from a credit report itself, or provided in an application for personal insurance. The term does not include information that is not credit-related, regardless of whether the information is contained in a credit report or in an application for insurance coverage or is used to compute a credit score.

Credit score or insurance score is a number or rating derived from a mathematical formula, computer application, model, or other process that is based on credit information and used to predict the future insurance loss exposure of a consumer.

SUMMARY OF CONSUMER PROTECTIONS CONTAINED IN ARTICLE 21.42-2U**PROHIBITED USE OF CREDIT INFORMATION.** *An insurer may not:*

- (1) *use a credit score that is computed using factors that constitute unfair discrimination;*
- (2) *deny, cancel, or nonrenew a policy of personal insurance solely on the basis of credit information without consideration of any other applicable underwriting factor independent of credit information;*
or
- (3) *take an action that results in an adverse effect against a consumer because the consumer does not have a credit card account without consideration of any other applicable factor independent of credit information.*

An insurer may not consider an absence of credit information or an inability to determine credit information for an applicant for insurance coverage or insured as a factor in underwriting or rating an insurance policy unless the insurer:

- (1) *has statistical, actuarial, or reasonable underwriting information that: (A) is reasonably related to actual or anticipated loss experience; and (B) shows that the absence of credit information could result in actual or anticipated loss differences;*
- (2) *treats the consumer as if the applicant for insurance coverage or insured had neutral credit information, as defined by the insurer; or*
- (3) *excludes the use of credit information as a factor in underwriting and uses only other underwriting criteria.*

NEGATIVE FACTORS. *An insurer may not use any of the following as a negative factor in any credit scoring methodology or in reviewing credit information to underwrite or rate a policy of personal insurance:*

- (1) *a credit inquiry that is not initiated by the consumer;*
- (2) *an inquiry relating to insurance coverage, if so identified on a consumer's credit report; or*
- (3) *a collection account with a medical industry code, if so identified on the consumer's credit report.*

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Multiple lender inquiries made within 30 days of a prior inquiry, if coded by the consumer reporting agency on the consumer's credit report as from the home mortgage or motor vehicle lending industry, shall be considered by an insurer as only one inquiry.

EFFECT OF EXTRAORDINARY EVENTS. *An insurer shall, on written request from an applicant for insurance coverage or an insured, provide reasonable exceptions to the insurer's rates, rating classifications, or underwriting rules for a consumer whose credit information has been directly influenced by a catastrophic illness or injury, by the death of a spouse, child, or parent, by temporary loss of employment, by divorce, or by identity theft. In such a case, the insurer may consider only credit information not affected by the event or shall assign a neutral credit score.*

An insurer may require reasonable written and independently verifiable documentation of the event and the effect of the event on the person's credit before granting an exception. An insurer is not required to consider repeated events or events the insurer reconsidered previously as an extraordinary event.

An insurer may also consider granting an exception to an applicant for insurance coverage or an insured for an extraordinary event not listed in this section. An insurer is not out of compliance with any law or rule relating to underwriting, rating, or rate filing as a result of granting an exception under this article.

NOTICE OF ACTION RESULTING IN ADVERSE EFFECT. *If an insurer takes an action resulting in an adverse effect with respect to an applicant for insurance coverage or insured based in whole or in part on information contained in a credit report, the insurer must provide to the applicant or insured within 30 days certain information regarding how an applicant or insured may verify and dispute information contained in a credit report.*

DISPUTE RESOLUTION; ERROR CORRECTION. *If it is determined through the dispute resolution process established under Section 611(a)(5), Fair Credit Reporting Act (15 U.S.C. Section 1681i), as amended, that the credit information of a current insured was inaccurate or incomplete or could not be verified and the insurer receives notice of that determination from the consumer reporting agency or from the insured, the insurer shall re-underwrite and re-rate the insured not later than the 30th day after the date of receipt of the notice.*

After re-underwriting or re-rating the insured, the insurer shall make any adjustments necessary within 30 days, consistent with the insurer's underwriting and rating guidelines. If an insurer determines that the insured has overpaid premium, the insurer shall credit the amount of overpayment. The insurer shall compute the overpayment back to the shorter of the last 12 months of coverage; or the actual policy period.

Credit information is obtained on the first named insured. This information is combined with other variables to develop a score for the policy. This score along with other policy and coverage selections is utilized to calculate the final policy premium.

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El Declaración de Divulgación del Uso de Información de Crédito

Nombre del asegurador:	Safeco Insurance Company of Indiana
Dirección:	PO Box 515097
	Los Angeles, CA 90051-5097
Número de teléfono: (si es posible para llamar gratis)	1-800-332-3226
Nosotros <input checked="" type="checkbox"/> Sí <input type="checkbox"/> No (marque uno) obtendremos y usaremos información de crédito de usted o de algún otro miembro de su hogar como parte del proceso de evaluación de crédito para seguros.	
Si tiene preguntas con respecto a esta declaración de divulgación puede comunicarse con el asegurador a la dirección o teléfono indicado arriba. Para más información o preguntas llame o escriba al Texas Department of Insurance al 1-800-252-3439 o P.O. Box 149091, Austin, Texas 78714.	

El Artículo 21.49-2U, Sección 7(d) del Código de Seguros de Texas requiere que el asegurador o sus agentes informen a sus clientes si van a obtener información de crédito del solicitante o asegurado o de cualquier miembro(s) del hogar del solicitante o asegurado, y también que les informen si van a utilizar la información como parte del proceso de clasificación de crédito para la venta del seguro.

Si el asegurador obtuvo o utilizó información de crédito del solicitante o asegurado, o de cualquier miembro del hogar del solicitante o asegurado, el asegurador tiene que revelar el nombre de cada una de las personas sobre las cuales obtuvo o utilizó los datos, y la manera en que la información de crédito de cada una de dichas personas se utilizó en la evaluación del riesgo o clasificación de la póliza. El asegurador puede suministrar esta información por medio de esta divulgación de datos o en un aviso por separado.

El efecto adverso significa una acción tomada por un asegurador con respecto al proceso de evaluación del consumidor cual resulta en el rechazo de la cobertura, la cancelación o rechazo de renovar la cobertura, o el ofrecimiento al y la aceptación por parte del consumidor de un tipo de póliza, tarifa o deducible que no es el tipo de póliza, tarifa o deducible que el consumidor específicamente solicitó.

Información de crédito consiste de cualquier información en relación a crédito, derivado de un crédito mismo o proporcionado en una aplicación para el seguro personal. El término no incluye información que no es relacionada de crédito, a pesar de si la información se contiene en un informe del crédito o en una aplicación para la cobertura o es utilizada para computar una clasificación de crédito.

La clasificación de crédito o clasificación de seguro es el número o categoría derivado de una fórmula matemática, de una aplicación de la computadora, un modelo, o de otro proceso que se basa fiado información y utilizada para predecir la exposición futura de pérdida de seguro de un consumidor.

**RESUMEN DE LAS PROTECCIONES AL CONSUMIDOR CONTENIDAS
EN EL ARTICULO 21.42-2U**

USO PROHIBIDO DE LA INFORMACIÓN DE CRÉDITO. *El asegurador no puede:*

- (1) *Utilizar una clasificación de crédito que se computa utilizando factores que constituyen discriminación injusta.*
- (2) *Negar, cancelar o no renovar una póliza de seguro personal únicamente con base a la información de crédito sin prestar consideración a cualquier otro factor independiente de la información de crédito que aplique al proceso de evaluación; o*
- (3) *Ejercer una acción que provoque un resultado adverso para el consumidor debido a que el consumidor no tiene una cuenta de tarjeta de crédito sin prestar consideración a cualquier otro factor ajeno a la información de crédito.*

El asegurador no puede considerar la ausencia de información de crédito o la inhabilidad para conseguir información respecto al crédito de un solicitante de seguro o asegurado como factor en el proceso de evaluación o clasificación de una póliza de seguro a menos que el asegurador:

- (1) *Tenga información estadística, actuarial o razonable de seguros que: (A) sea razonablemente correspondiente a una pérdida actual o anticipada; y (B) muestre que la ausencia de información de crédito puede resultar en diferencias en las pérdidas actuales o anticipadas.*
- (2) *Trate al solicitante o asegurado como si fuera un consumidor con información neutral de crédito, según definición de el asegurador, o*
- (3) *Excluya el uso de información de crédito como factor en el proceso de evaluación y utilice solamente otro criterio para la evaluación.*

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FACTORES NEGATIVOS. Para evaluar o clasificar una póliza de seguro personal el asegurador no puede utilizar en ninguna de sus metodologías de evaluación o revisión de crédito nada de lo mencionado a continuación:

- (1) Una indagación de crédito que no fue iniciada por el consumidor;
- (2) Una indagación respecto a cobertura de seguro, si así esta identificada en un reporte de crédito del consumidor; o
- (3) Una cuenta de cobro con clave industrial médica, si así está identificado en el reporte de crédito del consumidor.

El asegurador tiene que considerar como siendo una sola indagación todas las indagaciones múltiples de acreedores que se hicieron dentro de los 30 días previos a la indagación, si codificadas en el reporte de la agencia reportadora como provenientes de la industria de financiamiento de casa o auto.

EFFECTOS DE ACONTECIMIENTOS EXTRAORDINARIOS. El asegurador tiene que, previa solicitud por escrito del solicitante de seguro o asegurado, ofrecer al consumidor cuya información de crédito fue influenciada por una enfermedad o lesión catastrófica, fallecimiento de cónyuge, hijo o padre, pérdida de empleo, divorcio o robo de identidad, las excepciones razonables en sus tarifas, clasificación de póliza o reglamentos de evaluación. En dichos casos el asegurador puede considerar solamente la información de crédito que no fue afectada por el percance o tiene que asignar una clasificación neutral de crédito.

Antes de conceder las excepciones el asegurador puede requerir documentación del acontecimiento, por escrito e independientemente verificable, y del efecto que el percance tuvo en la información de crédito del individuo. El asegurador no es obligado a considerar acontecimientos repetidos o acontecimientos reconsiderados previamente como acontecimientos extraordinarios.

El asegurador también puede considerar otorgar una excepción al solicitante o asegurado por un percance extraordinario no mencionado en esta sección. El asegurador no estaría infraccionando ninguna ley o reglamento de evaluación, clasificación o tarifas si otorga una excepción bajo este artículo.

AVISO DE ACCIÓN CON RESULTADO DE EFECTO ADVERSO. Si un asegurador ejerce una acción que resulte en un efecto adverso para el solicitante de seguro o asegurado basándose solamente o en una fracción de la información contenida en el reporte de crédito, el asegurador tiene que suministrar al solicitante o asegurado, dentro de los 30 días, cierta información sobre cómo puede el solicitante o asegurado verificar o disputar la información contenida en el reporte de crédito.

RESOLUCIÓN DE DISPUTAS Y CORRECCIÓN DE ERRORES. Si por medio de un proceso de resolución de disputas establecido bajo la Sección 611(a)(5) de la Ley de para Reportes Justos de Crédito, Inciso 15 U.S.C. Sección 1681i, según enmiendas, se determina que la información del crédito de un individuo que actualmente está asegurado es inexacta incompleta o no puede ser verificada, y el asegurador recibe aviso de la determinación de la agencia reportadora de crédito o del asegurado, el asegurador tiene que reevaluar y reclasificar al asegurado a más tardar el treintavo día a partir de la fecha de recibo del aviso.

Después de reevaluar y reclasificar al asegurado el asegurador tiene que hacer cualquier ajuste necesario dentro de los 30 días, consistente con las normas de evaluación y clasificación de el asegurador. Si un asegurador determina que el asegurado ha sobrepagado en su prima el asegurador tiene que acreditarle la cantidad que pagó de más. El asegurador tiene que computar el sobrepago retroactivamente al período más corto de los previos 12 meses de cobertura; o al período actual de la póliza.

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APP 25

Insurance Information and the Use of Credit

Thank you for being a Safeco Insurance customer. We appreciate your business and the trust you have placed with us.

Like most insurance companies, we use credit information as a factor in determining the cost of your insurance. We do so because research studies have shown it to be an accurate predictor of the probability of future insurance losses. Studies also show that a majority of customers benefit from the use of credit information.

It's important to understand that many factors are used to determine the cost of insurance such as driving history for auto insurance, the year your home was built for home insurance, previous insurance and claims history, discounts and coverage limits. Your credit history is also part of the overall calculation that determines your premium. We look at credit history very differently than a financial institution because we're not evaluating your credit-worthiness. We're using credit-based information in combination with other factors to help us properly price insurance risks.

FREQUENTLY ASKED QUESTIONS

Why do you use my credit information?

Insurance companies often use credit information because it is a predictor of the probability of future losses. Its use is an objective way to assess and price potential risk and enables us to more accurately price policies and equitably distribute insurance costs among our policyholders.

Is my credit history the only factor that determines my rate?

No. Many factors such as previous insurance, claims history, discounts and coverage limits go into determining what you pay for your insurance. In addition, the information you provided when you purchased your policy and the verification of that information is used to determine your rate.

How do I know if I'm getting the best possible rate?

One of the benefits of buying insurance through an independent agent is their ability to advise you on your options and ways to save money. Between the guidance of your local independent agent and a vast array of Safeco options, you can be sure you're getting the coverage you want at a competitive rate. If you have any questions, we encourage you to contact your independent Safeco agent and ask for an insurance checkup.

How is credit information used in determining my rate?

Safeco, like most insurance companies, calculates an insurance score based on information from your credit report. Different values or weights are assigned to the information contained in your credit report, such as payment history, amounts owed or the number of applications for new credit lines. The total sum of these weights creates your insurance score. As a result, it is likely that some of your credit information helped to improve your insurance score, and some lowered it. The calculation process and weights used by each insurance company and/or its service providers are proprietary and confidential. As a result, we do not disclose your specific score or the details of how it was calculated.

How did my credit information affect my rate?

You did not receive the lowest possible rate because either we were unable to obtain an insurance score for you, or because of your credit information. If it was due to your credit information, the reasons are explained in this document under "What factors affected my insurance score?"

What can I do to improve my insurance score?

Safeco and independent insurance agents are not credit counselors or financial advisors, so we are not in a position to provide specific advice on how to improve your credit or insurance score. However, we can tell you that the areas that have the biggest impact on your credit report are: payment history, amounts owed, length of credit history, new credit applications and type of credit accounts. To get a copy of your current credit report, contact TransUnion and follow the instructions under "How do I get a copy of my credit report?"

How do I get a copy of my credit report?

The Fair Credit Reporting Act allows you to request a free copy of your credit report within 60 days of receipt of this letter. To get a copy of your report, call TransUnion at 1-800-645-1938 or write to TransUnion Consumer Disclosure Center, PO Box 1000, Chester, PA 19022. TransUnion can give you information about your credit report. However, they did not make any decisions about your insurance premium or how your policy was rated, and they are unable to answer questions about those decisions.

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What can I do if I think my credit report is not accurate?

If you believe your report is incomplete or incorrect, you may contact TransUnion to dispute the accuracy or completeness of the information. At your request, they will review your credit information and if corrections are made, they will send you an updated report.

Can I get my policy re-rated if corrections are made to my credit report?

Yes. If you would like us to re-evaluate your policy after your credit report has been corrected, please send us a copy of the documentation from the credit reporting agency indicating the report has been corrected. Include your name, policy number and address, and ask for a credit-based insurance score re-evaluation. Mail your request to: Safeco ATTN: UW Verification & Policy Support, PO Box 515097, Los Angeles, CA, 90051-5097 or fax it to 877-344-5107.

Where can I go to learn more about credit and how it is used in insurance?

To learn more about credit scores visit <http://www.myfico.com/CreditEducation/CreditScores.aspx>. For more information about how Safeco uses information from your credit report go to <http://www.safeco.com/insurancescores>.

Who is sending me this notice?

This notice is provided to you by SAFECO INSURANCE COMPANY OF INDIANA who underwrites your homeowners policy OY7910811.

What factors affected my insurance score?

Below is more information about the factors that affected your insurance score and what you can do to improve them:

CN-7400/EP 8/13

Number of accounts ever past due

What information is this message derived from? The score considers the number of accounts that were ever 30 days or more past due, reported in the last five (5) years.

How does this affect my insurance score? Research shows that consumers with missed payments have more insurance losses.

What can I do to improve this aspect of my score? Avoid letting accounts get to a delinquent status. Delinquencies remain on your credit report for seven years. Pay any accounts that are past due as soon as possible.

(Reason Code 310)

CN-7288/EP 7/12

Time since most recent delinquency

What information is this message derived from? The score considers the number of months since the most recent delinquency was added to your credit history.

How does this affect my insurance risk score? Research shows recent delinquencies are correlated with more insurance losses.

What can I do to improve this aspect of my score? Delinquent activity will remain on your credit report for seven years. The impact of this information will likely improve as you pay your accounts on time and manage your accounts in a satisfactory manner.

(Reason Code 323)

CN-7299/EP 7/12

Average amount of time accounts have been established

What information is this message derived from? The score considers the average age of all of your accounts. Recently opened accounts will lower the average age of your accounts.

How does this affect my insurance risk score? Research shows that consumers who have a long established account history have fewer insurance losses.

What can I do to improve this aspect of my score? Open new accounts only when necessary. As accounts age this component of your score will likely improve.

(Reason Code 322)

CN-7298/EP 7/12

EXHIBIT A-1

SAFECO 002876

APP 27

5001 X

What information is this message derived from? The score considers the sum of all balances at the time of the credit report divided by the sum of high credit or credit limit for all open accounts reported in the last 12 months. Mortgages and accounts with balance, high credit, or credit limit greater than \$35,000 are not included.

How does this affect my insurance score? Research shows that a higher proportion of account balance to limit is correlated with more insurance losses.

What can I do to improve this aspect of my score? Only utilize what you need and try to pay more than the minimum amount owed on your open accounts. The impact of this information will likely improve as your account balance decreases relative to your available credit.

(Reason Code 316)
CN-7293/EP 7/12 _____

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APP 28

EXHIBIT A-1

SAFECO 002877

SAFECO INSURANCE COMPANY OF INDIANA

Home Office: 350 East 96th St, Indianapolis, IN 46240 (A stock insurance company.)

QUALITY SELECT HOMEOWNERS POLICY DECLARATIONS

INSURED:

MARIO RODRIQUEZ
651 WELL RD
PLAINVIEW TX 79072-0009

POLICY NUMBER: 0Y7910811

POLICY PERIOD FROM: FEB. 20 2019

AT: 12:01 A.M.

TO: FEB. 20 2020

RESIDENCE PREMISES:

Same

AGENT:

PEDAL CAR, LLC

522 ASH ST

PLAINVIEW TX 79072-8018

TELEPHONE: (806) 293-2651

IMPORTANT NOTICES

- Your new policy is effective February 20, 2019.
- THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR WINDSTORM OR HAIL LOSSES.
- The dollar amount of each percentage deductible is calculated by multiplying the Coverage A, B or C limit of liability shown in your Declarations by the deductible percentage amount. As a result, the calculated dollar amount of each percentage deductible will increase if the Coverage A, B or C limit of liability increases and will decrease if the Coverage A, B or C limit of liability decreases.
- Coverage for cosmetic damage to metal roofs is excluded.

COVERAGES	LIMIT	PREMIUM
SECTION I - PROPERTY COVERAGES		
A - Dwelling	\$ 173,900	\$ 2,936.00
B - Other Structures	25,000	116.00
C - Personal Property	69,560	-73.00
D - Additional Living Expense and Loss of Rent	34,780	
SECTION II - LIABILITY COVERAGES		
E - Personal Liability (each occurrence)	300,000	42.00
F - Medical Payments (each person)	5,000	
INCLUDED COVERAGES		
Full Value on Personal Property		Included
Loss Assessment	500	Included
Building Ordinance or Law Coverage	5,000	Included
Fungi, Wet or Dry Rot, or Bacteria	5,000	Included

OPTIONS	LIMIT	PREMIUM
Foundation Water Damage	\$ 10,000	\$ 50.00

CREDITS	PERCENTAGE	SAVINGS
Account Credit	20%	\$ -473.00
Hail Resistive Roof Credit	20%	-587.00
Advance Quote Credit		-59.00
Burglar Alarm Credit	2%	-59.00

DEDUCTIBLE(S)	PERCENTAGE	AMOUNT
Section I, except as noted below	1%	\$ 1,739
Windstorm or Hail Deductible	1%	\$ 1,739
Loss Assessment	N/A	\$ 500
Section I - Volunteer America	N/A	\$ 50

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EXHIBIT A-1

Page 1 of 2

SAFECO 002878 ORIGINAL

DATE PREPARED FEB. 20 2019

**SAFECO INSURANCE COMPANY OF INDIANA
QUALITY SELECT HOMEOWNERS POLICY DECLARATIONS**

POLICY NUMBER: 0Y7910811

CONTINUED

TOTAL ANNUAL PREMIUM

\$ 1,893.00

You may pay your premium in full or in installments. There is no installment fee for the following billing plans: Full Pay. Installment fees for all other billing plans are listed below. If more than one policy is billed on the installment bill, only the highest fee is charged. The fee is:

\$0.00 per installment for recurring automatic deduction (EFT)
\$5.00 per installment for recurring credit card or debit card
\$3.00 per installment for all other payment methods

INSURABLE INTERESTS**SERVICING MORTGAGEE**

PROSPERITY BANK
ISAOA / ATIMA
3301 OLTON RD
PLAINVIEW TX 79072-6629
LOAN NUMBER: 000163386

POLICY FORMS APPLICABLE TO THIS POLICY:

CHO-1232/TXEP 7/92 - EXECUTION CLAUSE - TEXAS
CHO-6529/TXEP 4/10 - FULL VALUE PERSONAL PROPERTY
CHO-6536/TXEP 4/10 - TX - FOUNDATION WATER DAMAGE
CHO-6295/TXEP R1 10/08 - SAFECO QUALITY SEL HOMEOWNERS POL
CHO-6548/TXEP R2 9/16 - AMENDATORY ENDORSEMENT - TEXAS

5003X

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EXHIBIT A-1

Page 2 of 2

SAFECO 002879

DATE PREPARED FEB. 20 2019



A Liberty Mutual Company

TEXAS QUALITY SELECT HOMEOWNERS POLICY**Table of Contents**

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**APP 31**

INSURING AGREEMENT

In reliance on the information you have given us, we will pay claims and provide coverage as described in this policy if you pay the premiums when due and comply with all the applicable provisions outlined in this policy.

This policy applies only to losses occurring during the policy period.

SECTION I — PROPERTY COVERAGES**BUILDING PROPERTY WE COVER****COVERAGE A — DWELLING**

We cover:

1. the dwelling on the **residence premises** shown in the Declarations used principally as a private residence, including structures attached to the dwelling other than fences, driveways or walkways;
2. attached carpeting, built-in appliances; and
3. materials and supplies located on or next to the **residence premises** used to construct, alter or repair the dwelling or other structures on the **residence premises**.

COVERAGE B — OTHER STRUCTURES

We cover:

1. fences, driveways and walkways; and
2. other structures on the **residence premises**, separated from the dwelling by clear space. This includes retaining walls, driveways, walkways, and other structures connected to the dwelling by only a fence, utility line, plumbing, or similar connection.

BUILDING PROPERTY WE DO NOT COVER

1. Land, no matter where it is located, including land on which the dwelling is located, except as noted in **Additional Property Coverages**, Land Stabilization.
2. Other structures:
 - a. used in whole or in part for **business** purposes; or
 - b. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private residence or garage.

PERSONAL PROPERTY WE COVER**COVERAGE C — PERSONAL PROPERTY**

1. Personal property owned or used by any **insured** is covered while it is anywhere in the world.

When personal property is usually located at an **insured's** residence, other than the **residence premises**, coverage is limited to 10% of the Coverage C limit. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days immediately after you begin to move the property there.

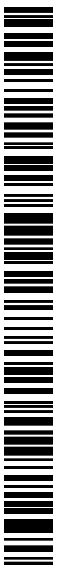
During the time the **residence premises** is under construction by or for the **insured**, our limit of liability for personal property other than on the **residence premises** shall be equal to the amount specified for Coverage C. Our total limit shall not exceed the policy limit for Coverage C in any one loss.

Personal property shall include window or wall air conditioning units whether installed or not.

2. At your request we cover:
 - a. personal property owned by others while the property is on that part of the **residence premises** occupied exclusively by any **insured**;
 - b. personal property owned by a guest or a **residence employee**, while the property is at any residence occupied by any **insured**.

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3. The following groups of personal property are covered only up to the special limit shown. The special limit is the total amount available for that group for any one loss and does not increase the Coverage C limit. The loss of, or to, more than one item in a group arising from the same cause or event is considered one loss.
- a. \$250 on money, pre-paid cards or passes, monetary value carried on electronic chip or magnetic cards, bank notes, bullion, gold other than goldware, silver other than silverware and platinum.
 - b. \$500 on rare coins and currency, medals, stamps, trading cards and comic books, including any of these that are part of a collection.
 - c. \$500 on securities, debit cards, checks, cashier's checks, traveler's checks, money orders and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets, personal documents, and records or data.
This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.
This limit includes the cost to research, replace or restore the material from the lost or damaged medium.
 - d. \$3000 on watercraft, including their trailers, furnishings, equipment and outboard motors.
 - e. \$3000 on trailers not used with watercraft.
 - f. \$500 on any one article, but not more than \$1000 in the aggregate for loss by theft of jewelry, watches, furs, precious and semiprecious stones.
 - g. \$500 in aggregate for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware.
Silverware, goldware and pewterware include:
 - (1) plateware, flatware, hollowware, tea sets, trays, trophies and the like;
 - (2) other utilitarian items made of or including silver or gold; and
 - (3) all items of pewterware.
 - h. \$2500 on **business** property, not excluded elsewhere, while located on the **residence premises**. We do not cover any **business** property if the property is away from the **residence premises**.
 - i. \$500 to re-create personal records or data stored on a tape, record, disc or other media designed for use with a computer.
 - j. \$500 on tapes, records, discs or other media, including digital or electronic, while the property is contained in a motor vehicle or other motorized land conveyance on or away from the **residence premises**. This limit includes the cost to research, replace or restore the lost or damaged media.
 - k. \$500 on any one article, but not more than \$1000 in the aggregate, for loss by theft of any rug, carpet (except wall-to-wall carpet), tapestry, wall-hanging or other similar article.
 - l. \$500 on grave markers.

PERSONAL PROPERTY WE DO NOT COVER

- 1. Articles separately described and specifically insured, regardless of insured limit, in this or any other insurance.
- 2. Animals, birds or fish.
- 3. Motorized land vehicles including their equipment, parts and accessories while in or upon the vehicle.
However, we do cover:
 - a. up to \$1000 for motorized land vehicles used solely to service the **residence premises** and not subject to motor vehicle registration or licensed for road use, including farm equipment;
 - b. up to \$500 for disassembled motorized land vehicle parts located on the **residence premises**.
 - c. devices or instruments for the transmitting, recording, receiving or reproduction of sound, pictures or data which are not permanently installed in a motorized land vehicle;

- d. vehicles designed for the handicapped and not licensed for road use;
- e. up to \$500 for electric motorized ride-on vehicles designed to be operated by children under the age of eight and designed for speeds of less than six miles per hour.
- 4. Any device or instrument, including any accessories or antennas, for the transmitting, recording, receiving or reproduction of sound, pictures or data which are permanently installed in a motor vehicle.
- 5. Aircraft, including disassembled parts of aircraft. This exclusion does not apply to model aircraft. Any aircraft designed for carrying persons or cargo is not a model aircraft.
- 6. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles.
- 7. Property of roomers, boarders and other tenants not related to any *insured*.
- 8. Property in a location rented or held for rental more than 31 days in a calendar year. This exclusion does not apply to property of an *insured* in a sleeping room on the *residence premises* rented to others by an *insured*.
- 9. Property, away from the *residence premises*, rented or held for rental to others.
- 10. **Business** property or merchandise:
 - a. in storage;
 - b. held as a sample; or
 - c. held for sale or delivery after sale.
- 11. **Business** documents, records or data regardless of the medium on which they exist.

SECTION I — PERILS INSURED AGAINST

COVERAGE A — DWELLING

COVERAGE B — OTHER STRUCTURES AND

COVERAGE C — PERSONAL PROPERTY

We cover accidental direct physical loss to property described in **Coverage A — Dwelling**, **Coverage B — Other Structures** and **Coverage C — Personal Property** caused by a peril listed below, unless excluded or limited in **Section I — Property Losses We Do Not Cover**.

- 1. **Fire or Lightning**.
- 2. **Windstorm**, meaning loss by direct force of windstorm, including flying debris.
This peril does not include:
 - a. **water damage** as excluded under **Property Losses We Do Not Cover**.
 - b. loss to personal property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of windstorm damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening;
 - c. loss to cloth awnings, greenhouses and their contents, outside satellite dishes or antennas including lead wires, towers or masts, wind chargers or wind mills;
 - d. structures under **Coverage B — Other Structures** that are wholly or partially over water and their contents; or
 - e. loss to watercraft and their trailers, furnishings, equipment, and outboard motors.
- 3. **Hail**. This peril does not include:
 - a. loss to cloth awnings, greenhouses and their contents, outside satellite dishes or antennas including lead wires, towers or masts, wind chargers or wind mills;
 - b. loss to personal property contained in a building unless the direct force of hail causes an opening in a roof or wall and the hail enters through this opening; or
 - c. loss to watercraft and their trailers, furnishings, equipment and outboard motors.

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4. Accidental Escape of Water or Steam.

We cover accidental escape of water or steam from within a plumbing, heating or air conditioning system or household appliance, including overflow of water, and escape of water or steam resulting from freezing and thawing, subject to the following:

- a. we do not cover loss caused by continuous or repeated seepage or leakage of water or steam which occurs over a period of weeks, months or years;
- b. we do not cover any loss or damage to foundations or foundation slabs resulting from any leakage, seepage or other escape of water or steam;

For purposes of coverage under this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.

We do not cover water or steam which escapes or overflows off the *residence premises*.

We cover the cost of tearing out and replacing that part of the dwelling structure necessary to repair the system or appliance, except **there is no coverage for any testing of the foundation or plumbing within the foundation, tear out, repair or replacing of the foundation or foundation slab, or the cost to repair or replace the system or appliance from which the water or steam escaped.**

Direct loss by fire, explosion or theft resulting from accidental escape of water or steam is covered.

5. Theft, including attempted theft and loss of property from a known location when it is likely that the property has been stolen.

This peril does not include theft:

- a. committed by any *insured* or by any other person regularly residing on the *insured location*;
- b. from that part of a *residence premises* rented by any *insured* to other than an *insured*.
- c. that occurs away from the *residence premises* of property while at any other residence owned, rented to, or occupied by any *insured*, except while an *insured* is temporarily residing there.

Property of a student who is an *insured* is covered while at a residence away from the *residence premises*.

6. Explosion.

7. Riot or civil commotion.

8. Aircraft, including self-propelled missiles and spacecraft.

9. Vehicles.

This peril does not include loss to:

- a. a driveway or walkway; or
- b. structures or personal property unless there is actual physical contact of a vehicle with covered property or with a structure containing covered property; or
- c. personal property transported by a vehicle unless the vehicle is first damaged by collision and the loss to personal property is a result of involvement in the collision.

10. Smoke, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations, such as slash burns.

11. Vandalism or malicious mischief.

12. Falling objects, including fall of trees or limbs and felling, topping or trimming of trees.

This peril does not include loss to property contained in a building unless the roof or an outside wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

13. Weight of ice, snow or sleet.

This peril means weight of ice, snow or sleet which causes damage to a building or property contained in a building. This peril does not include loss to an awning, patio, fence, swimming pool, hot tub or spa, foundation, retaining wall bulkhead, pier wharf, or dock.

APP 35

14. **Freezing** of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance. However, freezing and thawing resulting in loss or damage by escape of water or steam is covered only as described under **Perils Insured Against — Accidental Escape of Water or Steam**.
15. **Breakage of glass**, meaning damage to property caused by breakage of glass which is a part of a building on the *residence premises*. There is no coverage if breakage of glass is caused by *earthquake*. This peril does not cover loss or damage to the glass.
16. **Freezing and Thawing** that cause water to back up under roofing.

PROPERTY LOSSES WE DO NOT COVER

We do not cover loss caused directly or indirectly by any of the following excluded perils. Such loss is excluded regardless of the cause of loss or any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

1. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing, while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:
 - a. maintain heat in the building; or
 - b. shut off the water supply and drain the system and appliances of water;
2. Freezing, thawing, pressure or weight of water, ice or snow whether driven by wind or not, to a swimming pool, hot tub or spa, including their filtration and circulation systems, fence, landscape sprinkler system, pavement, patio, foundation, retaining wall, bulkhead, pier, wharf or dock;
3. Theft in, to or from a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is completed and occupied;
4. **Settling, Cracking, Shrinking, Bulging, or Expansion of Specific Property**. Settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundations, walls, floors, roofs, ceilings, swimming pools, hot tubs, spas or chimneys;

Exclusions 1. and 2. do not apply to ensuing loss resulting from a peril described under **Perils Insured Against**. If fire or explosion ensues from excluded perils 1. through 4., the resulting damage by fire or explosion is covered.

5. **Pollutants and Contaminants**, meaning the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, escape, emission, transmission or absorption of *pollutants and contaminants* at any time except as provided by **Additional Property Coverages — Household Products Coverage**.
6. **Ordinance or Law**, meaning any ordinance or law:
 - a. requiring or regulating the construction, remodeling, renovation, repair, or demolition of building property, including removal of resulting debris, unless specifically provided under this policy. However, loss for damage to glass caused by any **Perils Insured Against** shall be settled on the basis of replacement with safety glazing materials when required by ordinance or law;
 - b. the requirements of which result in a loss in value to property; or
 - c. requiring any *insured* or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, *pollutants and contaminants*.

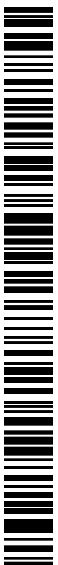
This exclusion applies whether or not the building property has been physically damaged.

This exclusion does not apply to the extent coverage is provided under **Additional Property Coverages — Building Ordinance or Law Coverage**.

7. **Earth Movement**, meaning the sinking, rising, shifting, expanding or contracting of earth, all whether combined with water or not. Earth movement includes but is not limited to *earthquake*, landslide, mudflow, mudslide, sinkhole, subsidence, erosion or movement resulting from improper compaction, site selection or any other external forces. Earth movement also includes volcanic explosion or lava flow.

We do cover direct loss by fire, explosion or theft.

APP 36



8. **Water Damage**, meaning:

- a. (1) Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind; and
- (2) release of water held by a dam, levee or dike or by a water or flood control device;
- b. water below the surface of the ground, including that which exerts pressure on, or seeps or leaks through a building, wall, bulkhead, sidewalk, driveway, foundation, swimming pool, hot tub or spa, including their filtration and circulation systems, or other structure;
- c. water which escapes or overflows from sewers or drains off the *residence premises*; or
- d. water which backs up, overflows or discharges, for any reason, from within a sump pump, sump pump well, or any other system designed to remove water which is drained from the foundation area.

Water includes any water borne materials.

This exclusion, 8., applies whether caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft resulting from water damage is covered.

- 9. **Power Interruption**, meaning the interruption of power or other utility service if the interruption takes place off the *residence premises*. If any **Perils Insured Against** ensues on the *residence premises*, we will pay only for the ensuing loss.
- 10. **Neglect**, meaning your failure to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered.
- 11. Loss caused directly or indirectly by War, including the following and any consequence of any of the following:
 - a. undeclared war, civil war, insurrection, rebellion, or revolution;
 - b. warlike act by a military force or military personnel; or
 - c. destruction or seizure or use for a military purpose.

Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

- 12. **Nuclear Hazard**, meaning nuclear reaction, nuclear radiation, or radioactive contamination, all whether controlled or uncontrolled, and whether or not one of the forces initiating or contributing to these nuclear hazards is covered within the losses we cover in Section I except direct loss by fire resulting from the nuclear hazard is covered.
- 13. **Intentional Loss**, meaning any loss arising out of any act committed by or at the direction of any *insured* with the intent to cause a loss.

This exclusion does not apply:

- a. to an otherwise covered property loss if the property loss is caused by, pursuant to, or in the course of an act of domestic abuse by another *insured*; or
- b. to an *insured* under the policy who did not cooperate in or contribute to the creation of the loss, provided the *insured* claiming a property loss files a police report and cooperates with any law enforcement investigation or prosecution relating to the loss.

Payment pursuant to this provision shall be limited to the insurable interest in the property of the *insured* claiming a property loss, less payments made pursuant to **Section I — Property Conditions, Mortgage Clause**.

- c. For purposes of this provision, "domestic abuse" means:
 - (1) physical harm, bodily injury, assault, or the infliction of fear of imminent physical harm, bodily injury, or assault between family or household members;
 - (2) sexual assault of one family or household member by another;
 - (3) stalking as defined in Texas Penal Code, §42.072 of one family or household member by another family or household member; or
 - (4) intentionally, knowingly, or recklessly causing damage to property so as to intimidate or attempt to control the behavior of another family or household member.

- 14. **Acts or Decisions**, including the failure to act or decide, of any person, group, organization or governmental body. However, any ensuing loss not excluded is covered.

15. **Weather** that contributes in any way with a cause or event excluded in this section to produce a loss. However, any ensuing loss not excluded is covered.
16. **Planning, Construction or Maintenance**, meaning faulty, inadequate or defective:
- planning, zoning, development, surveying, siting;
 - design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - materials used in repair, construction, renovation or remodeling; or
 - maintenance;
- of property whether on or off the **insured location** by any person or organization. However, any ensuing loss not excluded is covered.
17. **Fungi, Wet or Dry Rot, or Bacteria** meaning the presence, growth, proliferation or spread of **fungi**, wet or dry rot, or bacteria.
- This exclusion does not apply to the repair, replacement or restoration of damaged covered property subject to the limit of liability shown in the Declarations for **fungi, wet or dry rot or bacteria** when **fungi, wet or dry rot or bacteria** is the result of a covered loss or to the extent coverage is provided under **Section I — Property Coverages, Additional Property Coverage — Fungi, Wet or Dry Rot, or Bacteria**.

COVERAGE D — ADDITIONAL LIVING EXPENSE AND LOSS OF RENT

1. If a loss covered under this Section makes that part of the **residence premises** where you reside uninhabitable we cover **Additional Living Expense**, meaning any necessary increase in living expenses you incur so that your household can maintain its normal standard of living.
- Payment shall be for the shortest time required, not exceeding 12 months, to repair or to replace the damage or to permanently relocate.
2. If a loss covered under this Section makes that part of the **insured location** you rent to others uninhabitable, we cover your loss of rent, meaning the rental income to you from that part of the **insured location** you rent to others at the time of the loss, less any expenses that do not continue while the premises is uninhabitable.
- This coverage does not apply to:
- The **insured location** or that part of the **insured location** that is not rented or leased to a tenant at the time of the loss; or
 - to any increase in rent or lease payment that occurs after the time of the loss.
- Payment shall be for the shortest time required to repair or replace the damage, but not to exceed 12 months.
3. If a civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a loss we cover in this policy we cover the **Additional Living Expense** as provided under 1. above for no more than two weeks during which use is prohibited.

The total limit of liability available for **Additional Living Expense and Loss of Rent** is 20% of the Coverage A limit of liability and is the most we will pay for all loss or costs under 1., 2. and 3. above.

The periods of time under 1., 2. and 3. above are not limited by expiration of this policy.

We do not cover loss of rent or expense due to cancellation of any rental or lease agreement.

No deductible applies to this coverage.

ADDITIONAL PROPERTY COVERAGES

The following **Additional Property Coverages** are subject to all the terms, provisions, exclusions, and conditions of this policy.

1. **Arson Reward**. We will pay up to \$1,000 for information which leads to an arson conviction in connection with a fire loss to property covered by this policy. This coverage may increase the limit otherwise applicable.

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However, we will not pay more than \$5,000 per event regardless of the number of persons providing information.

2. Building Ordinance or Law Coverage. You may use up to the limit of liability stated on the Declarations for this coverage for the increased costs you incur due to the enforcement of any ordinance or law, including windstorm code in order to maintain insurance through the Texas Windstorm Insurance Association, which requires or regulates:

- a. the construction, demolition, remodeling, renovation or repair of that part of a covered building or other structure damaged by a loss we cover;
- b. the demolition and reconstruction of the undamaged part of a covered building or other structure, when the building or other structure must be totally demolished because of damage by a loss we cover to the damaged part of that covered building or structure; or
- c. the remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a loss we cover.

You may use all or part of this ordinance or law coverage to pay for the increased costs you incur to remove debris resulting from the construction, demolition, remodeling, renovation, repair or replacement of property as stated above.

We do not cover:

- d. the loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- e. the costs to comply with any ordinance which requires any *insured* or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, *pollutants and contaminants*.

This is an additional amount of insurance.

3. Collapse.

- a. We insure for direct physical loss to covered property involving collapse of the dwelling or any part of the dwelling if the collapse was caused by one or more of the following:
 - (1) The perils named under **Perils Insured Against**;
 - (2) Decay that is hidden from view, unless the presence of such decay is known to any *insured* prior to collapse;
 - (3) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to any *insured* prior to collapse;
 - (4) Weight of contents, equipment, animals or people;
 - (5) Weight of rain which collects on a roof; or
 - (6) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.
- b. Loss to an awning, fence, patio, deck, pavement, swimming pool, hot tub or spa, including their filtration and circulation systems, landscape sprinkler system, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under a.(2) through (6) above, unless the loss is a direct result of the collapse of the dwelling or any part of the dwelling to which it is attached.
- c. With respect to this coverage:
 - (1) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its current intended purpose.
 - (2) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse.
 - (3) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building.
 - (4) A building or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

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This coverage does not increase the limit of liability that applies to the damaged covered property.

4. **Debris Removal.** We will pay the reasonable expense you incur in the removal of debris of covered property provided coverage is afforded for the peril causing the loss. Debris removal expense is included in the limit of liability and does not increase the limit of liability applying to the damaged property. When the amount payable for the actual damage to the property plus the expense for debris removal exceeds the limit of liability for the damaged property, an additional 5% of that limit of liability will be available to cover debris removal expense.

For trees, we will pay the reasonable expenses you incur, up to \$500, for the removal of trees from the Described Location, provided the trees damaged the dwelling or other structures. The \$500 limit is the most we will pay in any one loss regardless of the number of fallen trees.

5. **Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the *residence premises*, for loss caused by the following perils: **Fire or Lightning, Explosion, Riot or Civil Commotion, Aircraft, Vehicles** not owned or operated by a resident of the *residence premises*, **Vandalism or Malicious Mischief and Theft.**

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants and lawns. No more than \$500 of this limit will be available for any one tree, shrub or plant.

This is not an additional amount of insurance and does not increase the limit of liability.

6. **Fire Department Service Charge.** We will pay up to \$500, as an additional amount of insurance, for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a loss we cover.

We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

7. **Fungi, Wet or Dry Rot, or Bacteria.** Subject to the limit of liability shown in the Declarations for *Fungi*, wet or dry rot or bacteria, we will pay for:

- a. the direct physical loss to covered property caused by *fungi*, wet or dry rot, or bacteria;
- b. the cost to remove *fungi*, wet or dry rot, or bacteria from covered property;
- c. the cost to tear out and replace any part of the building or other covered property as needed to gain access to the *fungi*, wet or dry rot, or bacteria;
- d. the cost of any testing of air or property to confirm the absence, presence or level of *fungi*, wet or dry rot, or bacteria, whether performed prior to, during or after removal, repair, restoration or replacement. The cost of such testing will be provided only to the extent that there is a reason to believe there is the presence of *fungi*, wet or dry rot, or bacteria; and
- e. **Additional Living Expenses** under Coverage D arising from *fungi*, wet or dry rot, or bacteria.

This coverage only applies when such loss or costs:

- f. are a result of a loss we cover that occurs during the policy period; and
- g. only if all reasonable means are used to save and preserve the property from further damage.

This coverage does not apply to loss to trees, shrubs, or other plants.

The limit of liability shown for *fungi*, wet or dry rot or bacteria shown in the Declarations is the most we will pay for all loss or costs for the total of all loss or costs regardless of the:

- (1) number of locations or items of property insured; or
- (2) number of losses or claims made.

This is not an additional amount of insurance and does not increase the limit of liability.

8. **Land Stabilization.** We will pay up to \$5,000 for the cost required to replace, rebuild, stabilize or otherwise restore the land necessary to support the insured dwelling or other structures sustaining a covered loss. This is an additional amount of insurance.
9. **Property Removed.** We insure covered property against direct loss from any cause while being removed from a premises endangered by a loss we cover. We will cover this property for a maximum of 30 days while removed. This coverage does not change the limit of liability that applies to the property being removed.
10. **Reasonable Repairs.** We will pay up to \$5,000 for the reasonable cost you incur for necessary repairs made solely to protect covered property from further damage, following a covered loss. This coverage does not increase the limit of liability applying to the property being repaired.



11. **Residence Glass Coverage.** We cover accidental direct physical loss to residence glass caused by breakage of or by chemicals applied to such glass if the glass is permanently attached to the dwelling or other structures on the residence premises, including storm windows and doors not permanently attached.

We will also pay for making temporary repairs, resulting damage to encasing frames, and removing or replacing obstructions because of a covered loss to glass.

This is not an additional amount of insurance and does not increase the limit of liability.

12. **Household Products Coverage.** We cover direct physical loss to the property described in Coverage A and B arising out of a discharge, dispersal, spill, leak, release, escape, emission, transmission or absorption of household products on the *residence premises*. Household products include items currently in use or your possession at the *residence premises* in normal household quantities such as paint, paint thinners, soaps, bleach, pesticides, herbicides, motor oil, gasoline, heating fuel and similar items. For purposes of this coverage, household products do not include materials containing asbestos, lead or formaldehyde.

We will pay up to 5% of the Coverage A limit of liability stated in the Declarations for any loss during the policy period under this coverage after you have paid your deductible. This is an additional amount of insurance.

This coverage does not apply to:

- a. any fee, assessment or expense of any governmental authority;
- b. loss arising out of household products possessed or used:
 - (1) for *business* purposes;
 - (2) for illegal purposes;
 - (3) by contractors; or
 - (4) on driveways or walkways.

Pollutants and Contaminants under Section I — Property Losses We Do Not Cover does not apply to this **Additional Property Coverage**.

In the event that a loss is covered under both this coverage and **Additional Property Coverages — Building Ordinance or Law Coverage**, you may elect either one of these coverages, but not both.

SECTION I — PROPERTY CONDITIONS

1. **Deductible.** In case of loss under Section I — Property Coverages of this policy, we cover only that part of the loss over the applicable deductible stated in the Declarations.

The Windstorm and Hail deductible shown in the declarations shall apply in the event of direct physical loss to property covered under this policy caused by windstorm or hail. No other deductible provision in the policy shall apply to direct physical loss caused by windstorm or hail.

2. **Your Duties to Select and Maintain Policy Limits.** It is your responsibility to select and maintain adequate amounts of insurance on your dwelling and personal property. Your limits must be adequate to cover the cost of materials and labor to repair or replace your dwelling and personal property in the event of a total loss.

To simplify your responsibility to maintain adequate insurance during fluctuating economic conditions, we will suggest annual adjustments, either up or down, of your policy limits based on average factors reflecting inflation and increases in the costs of construction in your geographic area. This suggestion will be made on the renewal date of your policy and will be based upon average factors for your area supplied to us by recognized appraisal agencies. Your home may not be average.

You will be notified in advance of the new amount of coverage. Payment of your renewal is all that is necessary to indicate your acceptance of the new amount.

3. **Residential Community Property Clause.** This policy, subject to all other terms and conditions, when covering residential community property, as defined by state law, shall remain in full force and effect as to the interest of each spouse covered, irrespective of divorce or change of ownership between the spouses unless excluded by endorsement attached to this policy, until the expiration of the policy or until canceled in accordance with the terms and conditions of this policy.

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4. Duties After Loss.

a. **Your Duties After Loss.** In case of a loss to which this insurance may apply, you must perform the following duties:

- (1) give prompt written notice to us of the facts relating to the claim.
- (2) notify the police in case of loss by theft.
- (3) (a) protect the property from further damage.
(b) make reasonable and necessary repairs to protect the property.
(c) keep an accurate record of repair expenses.
- (4) prepare an inventory of the loss to the building and damaged personal property showing in detail the quantity, description, **replacement cost** and age. Attach all bills, receipts and related documents that justify the figures in the inventory;
- (5) as often as we reasonably require:
 - (a) provide us access to the damaged property.
 - (b) provide us with pertinent records and documents we request and permit us to make copies.
 - (c) submit to examination under oath and sign and swear to it.
- (6) send to us if we request, your signed sworn proof of loss within 91 days of our request on a standard form supplied by us. We must request a signed sworn proof of loss within 15 days after we receive your written notice, or we waive our right to require a proof of loss. Such waiver will not waive our other rights under this policy.

This proof of loss shall state, to the best of your knowledge and belief:

- (a) the time and cause of loss.
- (b) the interest of the **insured** and all others in the property involved including all liens on the property.
- (c) other insurance which may cover the loss.
- (d) the **actual cash value** of each item of property and the amount of loss to each item.

b. **Our Duties After Loss.**

(1) Within 15 days after we receive your written notice of claim, we must:

- (a) acknowledge receipt of the claim.

If our acknowledgment of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgment.

- (b) begin any investigation of the claim.

- (c) specify the information you must provide in accordance with **Your Duties After Loss** (item 4.a. above).

We may request more information, if during the investigation of the claim such additional information is necessary.

(2) After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:

- (a) within 15 business days; or
- (b) within 30 days if we have reason to believe the loss resulted from arson.

(3) If we do not approve payment of your claim or require more time for processing your claim, we must:

- (a) give the reasons for denying your claim; or
- (b) give the reasons we require more time to process your claim. But, we must either approve or deny your claim within 45 days after requesting more time.

5. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

- a. to the **insured** for more than the amount of the **insured's** interest at the time of loss; or

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b. for more than the applicable limit of liability;

whichever is less.

§862.053 Texas Insurance Code. Policy a Liquidated Demand. A fire insurance policy, in case of a total loss by fire of property insured, shall be held and considered to be a liquidated demand against the company for the full amount of such policy. This subsection does not apply to personal property.

6. **Loss Settlement.** Covered property losses are settled as follows:

a. **Replacement Cost.** Property under Coverage **A** or Coverage **B** at **replacement cost**, not including wood fences and structures that are not buildings, subject to the following:

- (1) We will pay the full cost of repair or replacement, but not exceeding the smallest of the following amounts:
 - (a) the limit of liability under the policy applying to Coverage **A** or **B**;
 - (b) the **replacement cost** of that part of the damaged building for equivalent construction and use on the same premises as determined shortly following the loss;
 - (c) the full amount actually and necessarily spent to repair or replace the damaged building as determined shortly following the loss;
 - (d) our pro rata share of any loss when divided with any other valid and collectible insurance applying to the covered property at the time of loss.
- (2) When more than one layer of siding or roofing exists for **Building Property We Cover**, we will pay for the replacement of one layer only. The layer to be replaced will be at your option. The payment will be subject to all other policy conditions relating to loss payment.
When more than one layer of finished flooring exists we will pay for the finish of only one layer.
- (3) If the cost to repair or replace is \$1,000 or more, we will pay the difference between **actual cash value** and **replacement cost** only after the damaged or destroyed property has actually been repaired or replaced. Receipts or documents provided as proof of replacement do not comply with the terms of item **6.a. Replacement Cost** if the property is subsequently returned and not retained as replacement. You must make a claim under **replacement cost** within 365 days after loss, unless you request in writing an additional 180 days.
- (4) You may disregard the **replacement cost** loss settlement provisions and make claim under this policy for loss or damage to buildings on an **actual cash value** basis but not exceeding the smallest of the following amounts:
 - (a) the applicable limit of liability;
 - (b) the direct financial loss you incur; or
 - (c) our pro rata share of any loss when divided with any other valid and collectible insurance applying to the covered property at the time of loss.

You may make a claim for loss on an **actual cash value** basis and then make a claim under **replacement cost** after you have repaired or replaced the property.

b. **Actual Cash Value.** Personal Property under Coverage **C** and the following:

- (1) wood fences and structures that are not buildings;
- (2) carpeting other than attached and any appliances other than built-in;
- (3) outdoor equipment other than heating or cooling units; and
- (4) awnings and outdoor antennas

at **actual cash value** at the time of loss but not more than the amount required to repair or replace.

7. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:

- a. repair or replace any part to restore the pair or set to its value before the loss; or
- b. pay the difference between **replacement cost** of the pair or set before and after the loss.

8. **Appraisal.** If you and we do not agree on the amount of the loss, including the amount of **actual cash value** or **replacement cost**, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days

of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon such umpire, then, on request of you or the company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then resolve the issues surrounding the loss, appraise the loss, stating separately the **actual cash value** or **replacement cost** of each item, and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two of these three, when filed with the company shall determine the amount of loss.

Each party will:

- a. pay its own appraiser; and
 - b. bear the other expenses of the appraisal and umpire equally.
9. **Suit Against Us.** No action shall be brought against us unless there has been compliance with the policy provisions and the action is started within two years and one day after the cause of action accrues.
10. **Loss Payment.** If we notify you that we will pay your claim, or part of your claim, we must pay within 5 **business days** after we notify you. If payment of your claim or part of your claim requires the performance of an act by you, we must pay within 5 **business days** after the date you perform the act.

11. **Catastrophe Claims.**

If a claim results from a weather related catastrophe or a major natural disaster, each claim handling deadline shown under the Duties After Loss and Loss Payment provisions is extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which:

- a. is declared a disaster under the Texas Disaster Act of 1975; or
 - b. is determined to be a catastrophe by the Texas Department of Insurance.
12. **Abandonment of Property.** We need not accept any property abandoned by any **insured**.
13. **Vacancy.** If the **insured** moves from the dwelling and a substantial part of the personal property is removed from the dwelling, the dwelling will be considered vacant. Coverage that applies under Coverage A — Dwelling will be suspended effective 60 days after the dwelling becomes vacant. The coverage will remain suspended during such vacancy.
14. **Mortgage Clause.**

The word "mortgagee" includes trustee. If a mortgagee is named in this policy, any loss payable under Coverage A or B shall be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgages.

If we deny your claim, that denial shall not apply to a valid claim of the mortgagee, if the mortgagee:

- a. notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- b. pays any premium due under this policy on demand if you have neglected to pay the premium;
- c. submits a signed, sworn statement of loss within 91 days after receiving notice from us of your failure to do so.
- d. complies with item 4.a.(4) of Section I — Property Conditions.

Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee. If the policy is canceled or not renewed by us, the mortgagee shall be notified at least 20 days before the date cancellation or non-renewal takes effect.

If we pay the mortgagee for any loss and deny payment to you:

- e. we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- f. at our option, we shall receive full or partial assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt as our payment, including any accrued interest, as it bears to the amount of the principal on the mortgage.

Subrogation shall not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

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15. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.
16. **Other Insurance and Service Agreement.** If property covered by this policy is also covered by:
- other insurance, we will pay only the proportion of the loss caused by any peril insured against under this policy that the limit of liability applying under this policy bears to the total amount of insurance covering the property; or
 - a service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement includes a service plan, property restoration plan or warranty, even if it is characterized as insurance.
17. **Recovered Property.** If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.
18. **Salvage Value.** Any value that may be realized from *salvage* will not diminish the amount owed by you under the deductible clause. We need not accept, but have all rights to *salvage*.

SECTION II — LIABILITY COVERAGES

LIABILITY LOSSES WE COVER

COVERAGE E — PERSONAL LIABILITY

If a claim is made or a suit is brought against any *insured* for damages because of *bodily injury* or *property damage* caused by an *occurrence* to which this coverage applies, we will:

- pay up to our limit of liability for the damages for which the *insured* is legally liable; and
- provide a defense at our expense by counsel of our choice even if the allegations are groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when the amount we pay for damages resulting from the *occurrence* equals our limit of liability.

COVERAGE F — MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses incurred within three years from the date of an accident causing *bodily injury*. Medical expenses means reasonable charges for medical, surgical, X-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household other than *residence employees*. As to others, this coverage applies only:

- to a person on the *insured location* with the permission of any *insured*; or
- to a person off the *insured location*, if the *bodily injury*:
 - arises out of a condition on the *insured location* or the ways immediately adjoining;
 - arises out of the activities of any *insured*;
 - arises out of the activities of a *residence employee* in the course of the *residence employee's* employment by any *insured*; or
 - arises out of an animal owned by or in the care of any *insured*.

LIABILITY LOSSES WE DO NOT COVER

- Coverage E — Personal Liability** and **Coverage F — Medical Payments to Others** do not apply to *bodily injury* or *property damage*:
 - which:
 - is expected or intended by the *insured* or which is the foreseeable result of an act or omission intended by the *insured*; or
 - results from violation of:
 - criminal law; or

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(b) local or municipal ordinance

committed by, or with the knowledge or consent of the *insured*.

This exclusion applies even if:

- (3) such *bodily injury* or *property damage* is of a different kind or degree than expected or intended; or
- (4) such *bodily injury* or *property damage* is sustained by a different person, or persons, than expected or intended.

This exclusion applies whether or not the *insured* is charged or convicted of a violation of criminal law, or local or municipal ordinance.

- b. arising out of *business* pursuits of any *insured* or the rental or holding for rental of any part of any premises by any *insured*.

This exclusion does not apply to:

- (1) activities which are ordinarily incident to non-*business* pursuits except as excluded in h. below;
- (2) Coverage E for the occasional or part-time *business* pursuits of any *insured* who is under 23 years of age;
- (3) the rental or holding for rental of a residence of yours on an occasional basis for the exclusive use as a residence, or the rental or holding for rental of:
 - (a) part of a residence of yours for the exclusive use as a residence unless intended for use by more than two roomers or boarders; or
 - (b) part of a residence of yours, as an office, school, studio, or private garage for storage or vehicle parking.

- c. arising out of the rendering or failing to render professional services.

- d. arising out of any premises owned or rented to any *insured* which is not an *insured location*.

- e. arising out of the ownership, maintenance, use, loading or unloading of:

- (1) aircraft.

This item e.(1) does not apply to model aircraft. Any aircraft designed for carrying persons or cargo is not a model aircraft.

- (2) motorized land vehicles, including any trailers.

This exclusion does not apply to:

- (a) a trailer not towed by or carried on a motorized land vehicle;
- (b) a motorized land vehicle designed for recreational use off public roads, not subject to motor vehicle registration, licensing or permits and:
 - i. not owned by any *insured*; or
 - ii. owned by any *insured*, while on an *insured location*;
- (c) a motorized land vehicle designed solely for assisting the handicapped or a motorized land vehicle used solely for the maintenance of an *insured location*, which is:
 - i. not designed for travel on public roads; and
 - ii. not subject to motor vehicle registration, licensing or permits;
- (d) electric motorized ride-on vehicles designed to be operated by children under the age of eight and designed for speeds of less than six miles per hour; or
- (e) a motorized land vehicle in dead storage on an *insured location*.

- (3) watercraft:

- (a) owned by or rented to any *insured* if it has inboard or inboard-outdrive motor power of more than 50 horsepower;
- (b) owned by or rented to any *insured* if it is a sailing vessel 26 feet or more in overall length, with or without auxiliary power;

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- (c) powered by one or more outboard motors with 50 or more total horsepower if the outboard motors are owned by any **insured**.

However, outboard motors of 50 or more total horsepower are covered for the policy period if:

- i. you acquired them prior to the policy inception, and:
 - (i) declared them at policy inception; or
 - (ii) you ask us in writing to insure them within 45 days after you become the owner;
- ii. you acquire them during the policy period, provided you ask us to insure them:
 - (i) during the policy period in which you become the owner; or
 - (ii) within 45 days after you become the owner;whichever is greater, and pay any resulting additional premium from the date acquired.

(d) designed as an air boat, air cushion, or similar type of craft; or

(e) owned by any **insured** which is a **personal watercraft**.

Exclusion e.(3) does not apply while the watercraft is stored.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

Exclusions d. and e. do not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by any **insured**.

f. arising out of:

- (1) the entrustment by any **insured** to any person;
- (2) the supervision by any **insured** of any person;
- (3) any act, decision or omission by any **insured**;
- (4) any liability statutorily imposed on any **insured**; or
- (5) any liability assumed through an unwritten or written agreement by any **insured**;

with regard to any aircraft, motorized land vehicle or watercraft which is not covered under Section II of this policy.

g. caused directly or indirectly by war, including the following and any consequences of the following:

- (1) undeclared war, civil war, insurrection, rebellion, or revolution;
- (2) warlike act by a military force or military personnel; or
- (3) destruction or seizure or use for a military purpose.

Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

h. which results from the legal liability of any **insured** because of home care services provided to any person on a regular basis by or at the direction of:

- (1) any **insured**;
- (2) any employee of any **insured**; or
- (3) any other person actually or apparently acting on behalf of any **insured**.

Regular basis means more than 20 hours per week. This exclusion does not apply to:

- (4) home care services provided to the relatives of any **insured**; or
- (5) occasional or part-time home care services provided by any **insured** under 23 years of age.

i. which arises out of the transmission of disease by an **insured** through sexual contact.

j. arising out of physical or mental abuse, sexual molestation or sexual harassment.

For purposes of this provision, "abuse" means an act which is committed with the intent to cause harm.

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- k. arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a controlled substance(s). Controlled substances include but are not limited to cocaine, LSD, marijuana, PCP, phencyclidine (PCP), methamphetamines and all narcotic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

- l. arising out of any *insured's* participation in, or preparation or practice for any prearranged or organized race, speed or demolition contest, or similar competition involving a motorized land vehicle or motorized watercraft regardless of whether such contest is spontaneous, prearranged or organized. This exclusion does not apply to a sailing vessel less than 25 feet in overall length with or without auxiliary power.

2. **Coverage E — Personal Liability** does not apply to:

a. Liability:

- (1) for any loss assessment charged against you as a member of an association of property owners;
- (2) under any contract or agreement. However, this item 2.a.(2) does not apply to written contracts:
 - (a) that directly relate to the ownership, maintenance or use of an *insured location*; or
 - (b) where the liability of others is assumed by the *insured* prior to an *occurrence*; unless excluded in 2.a.(1) above or elsewhere in this policy;
- (3) for *punitive damages* awarded against any *insured*;
- (4) arising out of any illegal act committed by or at the direction of any *insured*.

b. **property damage** to property owned by any *insured*;

c. any written or oral agreement involved in the sale or transfer of real property, including but not limited to the following:

- (1) known or unknown property or structural defects;
- (2) known or hidden defects in the plumbing, heating, air conditioning or electrical systems;
- (3) known or unknown soil conditions or drainage problems; or
- (4) concealment or misrepresentation of any known defects.

d. **property damage** to property rented to, occupied or used by or in the care of any *insured*.

This exclusion does not apply to **property damage** caused by fire, smoke, explosion or water;

e. **bodily injury** to any person, eligible to receive any benefits required to be provided or voluntarily provided by any *insured* under any workers compensation, non-occupational disability, or occupational disease law;

f. **bodily injury** or **property damage** for which any *insured* under this policy is also an *insured* under a nuclear energy liability policy or would be an *insured* but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors;

g. **bodily injury** to *you* or an *insured* within the meaning of part a. or b. of the **Policy Definition, 8. Insured**;

h. liability arising directly or indirectly, in whole or in part, out of actual or alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any *fungi*, bacteria or other microbes.

This exclusion includes:

- (1) the cost of testing for, or monitoring of *fungi*, bacteria or other microbes, or tearing out or removal of property to facilitate testing or monitoring;
- (2) disclosure or failure to disclose, advise or failure to advise of *fungi*, bacteria or other microbes, or of conditions contributing to any ensuing *fungi*, bacteria or other microbes; or
- (3) any liability imposed upon any *insured* by any governmental authority.

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This exclusion does not apply to ***bodily injury*** arising from ***fungi*** or bacteria intended for consumption or bacteria naturally occurring in and arising from foods.

- i. ***bodily injury*** or ***property damage*** arising, in whole or part, out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, escape, emission, transmission, absorption, ingestion or inhalation of ***pollutants and contaminants*** at any time. This includes any loss, cost or expense arising out of any:
 - (1) request, demand or order that any insured or others test for, monitor, abate, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess, the effects of ***pollutants and contaminants***;
 - (2) claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing, the effects of ***pollutants and contaminants***;
- j. liability arising from any transmission, upload or download, whether intentional or not, of computer code, programs or data;
- k. liability arising out of any animal that any ***insured*** acquires, owns or keeps and:
 - (1) is of a breed or kind named by or controlled by any local, state, or federal ordinance or law because of public safety concerns;
 - (2) has previously killed or caused serious injury to any person, or has killed another domestic animal;
 - (3) has been trained to fight or attack;
 - (4) has been trained to kill;
 - (5) is a wild canine or feral dog or an offspring from breeding with a wild canine;
 - (6) is illegal to acquire, own or keep;
 - (7) is wild by birth or by nature and the species is not customarily domesticated;
 - (8) is a bird of prey;
 - (9) is venomous;
 - (10) is a primate; or
 - (11) is a reptile or amphibian.

Paragraph k.(3) above does not apply in the event the animal is reacting to protect people or property from imminent harm.

3. Coverage F — Medical Payments to Others does not apply to ***bodily injury***:

- a. to a ***residence employee*** if the ***bodily injury*** occurs off the ***insured location*** and does not arise out of or in the course of the ***residence employee's*** employment by an ***insured***;
- b. to any person eligible to receive any benefits required to be provided or voluntarily provided by any ***insured*** under any workers compensation, non-occupational disability, or occupational disease law;
- c. from any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these;
- d. to any person, other than a ***residence employee*** of any ***insured***, regularly residing on any part of an ***insured location***.

ADDITIONAL LIABILITY COVERAGES

1. Claim Expenses. We pay:

- a. expenses we incur and costs taxed against any ***insured*** in any suit we defend;
- b. premiums on bonds required in a suit we defend, but not for bond amounts greater than the limit of liability for ***Coverage E — Personal Liability***. We are not obligated to apply for or furnish any bond;
- c. reasonable expenses incurred by any ***insured*** at our request, including actual loss of earnings (but not loss of other income) up to \$200 per day, for assisting us in the investigation and defense of any claim or suit.

2. **Interest.** We will pay the interest on judgments, subject to all of the following:

- a. any notice, demand, summons, judgment, or any process is promptly forwarded to us as required by Condition 4.c. under **Duties After An Occurrence**.
- b. we accept the defense or agree to the judgment.
- c. we will pay the interest on that part of the judgment that is covered and that does not exceed our applicable limit of liability.
- d. we will pay that which accrues after entry of the judgment and before we pay, tender, or deposit in court.
- e. if we appeal the judgment, we will pay interest on the entire judgment.
- f. post-judgment interest is in addition to the applicable limit of liability.
- g. where we are required to cover prejudgment interest, it shall be included in the limit of liability and is not an additional amount of insurance.

3. **First Aid Expenses.** We will pay expenses for first aid to others incurred by any *insured* for **bodily injury** covered under this policy. We will not pay for first aid to you or any other *insured*.

4. **Damage to Property of Others.** We will pay on a **replacement cost basis** up to \$500 per **occurrence** for **property damage** to property of others caused by any *insured*.

We will not pay for **property damage**:

- a. if insurance is otherwise provided in this policy;
- b. caused intentionally by any *insured* who is 13 years of age or older;
- c. to property owned by or rented to any *insured*, a tenant of any *insured*, or a resident in your household; or
- d. arising out of:
 - (1) **business** pursuits;
 - (2) any act or omission in connection with a premises owned, rented or controlled by an *insured*, other than the **insured location**; or
 - (3) the ownership, maintenance, or use of aircraft, watercraft or motorized land vehicles.

This item 4.d.(3) does not apply to a motorized land vehicle designed for recreational use off public roads, not subject to motor vehicle registration, licensing or permits and not owned by any *insured*.

5. **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money.**

We will pay up to \$1,000 for:

- a. the legal obligation of an *insured* to pay because of theft or unauthorized use of credit cards issued to or registered in any *insured's* name;
- b. loss resulting from theft or unauthorized use of a fund transfer card used for deposit, withdrawal or transfer of funds, issued to or registered in any *insured's* name.

We do not cover use by a resident of your household, a person who has been entrusted with the credit card or fund transfer card or any person if any *insured* has not complied with all terms and conditions under which the credit card or fund transfer card is issued.

- c. loss to any *insured* caused by forgery or alteration of any check or negotiable instrument; and
- d. loss to any *insured* through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

We do not cover loss arising out of **business** pursuits or dishonesty of any *insured*.

Defense:

- e. We may make any investigation and settle any claim or suit that we decide is appropriate.
- f. If a suit is brought against any *insured* for liability under the **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money** coverage, we will provide a defense at our expense by counsel of our choice.

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- g. We have the option to defend at our expense any *insured* or any *insured's* bank against any suit for the enforcement of payment under the forgery coverage.

6. Statutorily Imposed Vicarious Parental Liability.

We will pay the lesser of the statutorily imposed limit or \$3,000 for the legal obligation you are required to pay as a result of acts of a minor child who resides with you.

This coverage is excess over any other valid and collectible insurance.

SECTION II — LIABILITY CONDITIONS

1. **Limit of Liability.** Our total liability under Coverage E for all damages resulting from any one *occurrence* will not exceed the limit of liability for Coverage E stated in the Declarations. This limit is the same regardless of the number of *insureds*, claims made or persons injured.

Our total liability under Coverage F for all medical expense payable for *bodily injury* to one person as the result of one accident shall not exceed the limit of liability for Coverage F stated in the Declarations.

2. **Severability of Insurance.** This insurance applies separately to each *insured*. This condition shall not increase our limit of liability for any one *occurrence*.

3. **Your Duties After Loss.** In case of an accident or *occurrence*, the *insured* shall perform the following duties that apply:

- a. give written notice to us or our agent as soon as practicable, which sets forth:

- (1) the identity of the policy and *insured*;
- (2) reasonably available information on the time, place and circumstances of the accident or *occurrence*;
- (3) names and addresses of any claimants and witnesses; and
- (4) in case of loss under the **Credit Card, Fund Transfer Card, Forgery and Counterfeit Money** coverage also notify the Credit Card or Fund Transfer Card Company;

- b. promptly forward to us every notice, demand, summons or other process relating to the accident or *occurrence*;

- c. at our request, help us:

- (1) to enforce any right of contribution or indemnity against any person or organization who may be liable to any insured;
- (2) with the conduct of suits and attend hearings and trials;
- (3) to secure and give evidence and obtain the attendance of witnesses;

- d. under the **Additional Liability Coverages — Damage to the Property of Others**, submit to us within 91 days after the loss, a sworn statement of loss and exhibit the damaged property, if within the *insured's* control;

- e. submit within 91 days after the loss, evidence or affidavit supporting a claim under the **Additional Liability Coverages, Credit Card, Fund Transfer Card, Forgery and Counterfeit Money** coverage, stating the amount and cause of loss;

- f. the *insured* shall not, except at the *insured's* own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the *bodily injury*.

4. **Duties of an Injured Person — Coverage F — Medical Payments to Others.** The injured person or someone acting for the injured person will:

- a. give us written proof of claim, under oath if required, as soon as practical;
- b. authorize us to obtain pertinent and reasonably related copies of medical reports and records.

The injured person shall submit to physical examination by a doctor selected by us when and as often as we reasonably require.

5. **Payment of Claim — Coverage F — Medical Payments to Others.** Payment under this coverage is not an admission of liability by any *insured* or us.

6. **Suit Against Us.** No action shall be brought against us unless there has been full compliance with all policy provisions.

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No one shall have any right to join us as a party to any action against any **insured**. Further, no action with respect to Coverage E shall be brought against us until the obligation of the **insured** has been determined by final judgment or agreement signed by us.

7. **Bankruptcy of an Insured.** Bankruptcy or insolvency of any **insured** shall not relieve us of any of our obligations under this policy.
8. **Other Insurance — Coverage E — Personal Liability.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.
9. **Notice of Settlement of Liability Claim.**
 - a. We will notify the **insured** in writing of any initial offer to compromise or settle a claim against the **insured** under the liability section of this policy. We will give the **insured** notice within 10 days after the date the offer is made.
 - b. We will notify the **insured** in writing of any settlement of a claim against the **insured** under the liability section of this policy. We will give the **insured** notice within 30 days after the date of the settlement.

SECTIONS I AND II — PROPERTY AND LIABILITY CONDITIONS

1. Policy Period and Changes.

- a. The effective time of this policy is 12:01 A.M. at the **residence premises**. This policy applies only to loss under Section I, or **bodily injury** or **property damage** under Section II, which occurs during the policy period. This policy may be renewed for successive policy periods if the required premium is paid and accepted by us on or before the expiration of the current policy period. The premium will be computed at our then current rate for coverage then offered.
- b. Changes:
 - (1) Before the end of any policy period, we may offer to change the coverage provided in this policy. Payment of the premium billed by us for the next policy period will be your acceptance of our offer.
 - (2) This policy contains all agreements between you and us. Its terms may not be changed or waived except by endorsement issued by us. If a change requires a premium adjustment, we will adjust the premium as of the effective date of change. Additional or return premium of \$3.00 or less will be waived.

2. **Concealment or Fraud.** This policy was issued in reliance upon the information provided on your application. We may void coverage under this policy if you or an **insured** have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, at the time application was made or any time during the policy period.

We may void this policy or deny coverage for a loss or **occurrence** if you or an **insured** have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with the presentation or settlement of a claim.

We may void this policy or deny coverage because of fraud or material misrepresentation even after a loss or **occurrence**. This means we will not be liable for any claims or damages which would otherwise be covered. If we make a payment, we may request that you reimburse us if so, you must reimburse us for any payments we may have already made.

3. **Liberalization Clause.** If we make a change which broadens coverage under this edition of our policy without any additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of a subsequent edition of this policy, or an amendatory endorsement.

4. Cancellation.

- a. You may cancel this policy at any time by notifying us of the date cancellation is to take effect. We will send you any refund due when the policy is returned to us.

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b. We may cancel this policy at any time for the reasons stated in this condition by mailing you notice in writing of the date cancellation takes effect.

(1) If this policy has been in effect for less than 60 days and is not a renewal policy, we may not cancel this policy unless:

(a) we identify a condition that:

- i. creates an increased risk of hazard;
- ii. was not disclosed in the application for insurance coverage; and
- iii. is not the subject of a prior claim;

(b) Before the effective date of the policy we do not accept a copy of a required inspection report that:

- i. was completed by an inspector licensed by the Texas Real Estate Commission or who is otherwise authorized to perform inspections; and
- ii. is dated not earlier than the 90th day before the effective date of the policy.

An inspection report is deemed accepted unless we reject it before the 11th day after the date we receive it;

(c) You do not pay the premium or any portion of the premium due;

(d) The Texas Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state;

(e) You submit a fraudulent claim; or

(f) There is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium rate of this policy.

The effective date of cancellation cannot be before:

(g) the 10th day after we mail notice if we cancel for reasons (c), (d), (e), or (f) above.

(h) the 30th day after we mail notice if we cancel for any other reason.

(2) If this policy has been in effect 60 days or more, or at any time if it is a renewal policy, we may not cancel this policy unless:

(a) You do not pay the premium or any portion of the premium due.

(b) The Texas Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.

(c) You submit a fraudulent claim.

(d) There is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium rate of this policy.

The effective date of cancellation cannot be before the 10th day after we mail the notice. Our notice of cancellation must state the reason for cancellation.

c. If we cancel, our notice to you will state that this refund is not included with the notice, it will be returned on demand.

d. We may not cancel this policy solely because you are an elected official.

5. Refusal to Renew.

a. We may not refuse to renew this policy because of claims for losses resulting from natural causes.

b. We may not refuse to renew this policy solely because you are an elected official.

c. We may refuse to renew this policy if you have filed three or more claims under the policy in any three year period that do not result from natural causes.

If you have filed two claims in a period of less than three years, we may notify you in writing, that if you file a third claim during the three year period, we may refuse to renew this policy by providing you proper notice of our refusal to renew as provided in d. below. If we do not notify you after the second claim, we may not refuse to renew this policy because of losses.

A claim does not include a claim that is filed but is not paid or payable under the policy.

- d. If we refuse to renew this policy, we must deliver to you, or mail to you at your mailing address shown on the declarations page and any mortgagee named on the declarations page, written notice of our refusal to renew not later than the 30th day before the date on which this policy expires.

Proof of mailing will be sufficient proof of notice. If we fail to give you proper notice of our decision not to renew, you may require us to renew the policy.

6. **Assignment.** Assignment of this policy shall not be valid unless and until we give our written consent.
7. **Our Right to Recover Payment.** You may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. If an assignment is sought, the *insured* shall sign and deliver all related papers and cooperate with us in any reasonable manner.
- Subrogation does not apply under **Section II, Coverage F — Medical Payments to Others or Additional Liability Coverages — Damage to Property of Others.**
8. **Death.** If you die, we insure:
- your legal representatives but only with respect to the property covered under the policy at the time of death;
 - with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

ADDITIONAL COVERAGES

LOSS ASSESSMENT COVERAGE

The following is added to **Section II — Additional Liability Coverages**:

7. Loss Assessment

- We will pay any loss assessment charged during the policy period against you by the association of property owners up to the limit of liability shown in the Declarations, when the assessment is made as a result of:
 - each direct loss to property, caused by a peril that would be covered under **Section I — Property Coverages** of this policy;

SPECIAL EXCLUSION: There is no coverage for any loss assessment resulting from the peril of *earthquake*. However, loss assessment for ensuing direct loss by fire, explosion or theft is covered.
 - each *occurrence* to which **Section II — Liability Coverages** of this policy would apply;
 - liability for each act of a director, officer or trustee acting in such capacity, provided:
 - the director, officer or trustee is elected by the members of the association of property owners; and
 - the director, officer or trustee serves without deriving any income from the exercise of his/her duties, which are solely on behalf of the association of property owners.
- SECTION II — LIABILITY COVERAGES** — For purposes of this coverage, item 2.a.(1) under **Liability Losses We Do Not Cover** is deleted.
- DEDUCTIBLE** — We will pay only that part of your assessment per unit for property insured under **Section I** that exceeds \$500. No other deductible applies to this coverage. If our liability for a loss results from **Section I** and coverage under this option, only the larger deductible will apply.

VOLUNTEER AMERICA COVERAGE

The following is added to the **Policy Definitions**:

19. **“Volunteer”** means an *insured* employed by an organization for a charitable purpose or in direct service to the general public or the community.



Volunteer service does not include the *insured's* primary employment. It includes but is not limited to service performed for churches, schools, hospitals, and charitable, arts and civic organizations.

The following is added to **Section I — Personal Property Losses We Cover**:

17. We insure for all risks of accidental and direct physical loss to the property described in Coverage C — Personal Property, when the loss occurs as a direct result of acting as a *volunteer*.

When the loss occurs as a direct result of acting as a *volunteer*, we cover only that part of the loss that exceeds the Volunteer America deductible of \$50.

The following items under **Section II — Liability Losses We Do Not Cover** is amended as follows:

- a. Item 1.b. does not apply to activities as a *volunteer*.
- b. Item 1.c. does not apply to professional services, other than professional health care services by a doctor, performed as a *volunteer*.

The following items under **Section II — Additional Liability Coverages** are amended as follows:

- a. **Damage to Property of Others.** The limit of liability is increased to \$2,500 for direct damage caused as a direct result of acting as a *volunteer*.
- b. **Medical Payments to Others.** The limit of liability is increased to double the amount stated in the Declarations for *bodily injury* caused as a direct result of acting as a *volunteer*.

PERSONAL INJURY COVERAGE

Personal Injury coverage applies as defined in **Policy Definitions, Bodily Injury**, item 3.b. below.

POLICY DEFINITIONS

1. Throughout this policy, “you” and “your” refer to the “named insured” shown in the Declarations and:
- a. your spouse, if a resident of the same household; or
 - b. your civil partner, if a resident of the same household, by civil union licensed and certified by the state; or
 - c. your *domestic partner*, if a resident of the same household.

“*Domestic partner*” means a person living as a continuing partner with you and:

- (1) is at least 18 years of age and competent to contract;
- (2) is not a relative, and
- (3) shares with you the responsibility for each other’s welfare, evidence of which includes:
 - (a) the sharing in the domestic responsibilities for the maintenance of the household; or
 - (b) having joint financial obligations, resources, or assets; or
 - (c) one with whom you have made a declaration of domestic partnership or similar declaration with an employer or government entity.

Domestic partner does not include more than one person, a roommate whether sharing expenses equally or not, or one who pays rent to the named insured.

“We,” “us” and “our” refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

2. “**Actual cash value**”

- a. When the damage to property is economically repairable, *actual cash value* means the cost of repairing the damage, less reasonable deduction for wear and tear, deterioration and obsolescence.
- b. When the loss or damage to property creates a total loss, *actual cash value* means the market value of property in a used condition equal to that of the destroyed property, if reasonably available on the used market.
- c. Otherwise, *actual cash value* shall mean the market value of new, identical or nearly identical property, less reasonable deduction for wear and tear, deterioration and obsolescence.

d. When applicable to **Personal Property We Cover**, *actual cash value* does not include taxes, or any expenses unless incurred following the loss.

3. "**Bodily injury**" means:

a. bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom.

Bodily injury does not include any disease transmitted by an *insured* through sexual contact to any other person;

b. personal injury:

(1) arising out of one or more of the following offenses:

- (a) false arrest, detention or imprisonment, or malicious prosecution;
- (b) libel, slander or defamation of character; or
- (c) invasion of privacy, wrongful eviction or wrongful entry.

(2) coverage does not include:

- (a) liability assumed by any *insured* under any contract or agreement except any indemnity obligation assumed by the *insured* under a written contract directly relating to the ownership, maintenance or use of the *insured location*;
- (b) injury arising out of any illegal act committed by or at the direction of any *insured*;
- (c) injury sustained by any person as a result of an offense directly or indirectly related to the employment of this person by any *insured*;
- (d) injury arising out of the business pursuits of any *insured*. This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by any *insured*;
- (e) injury arising out of civic or public activities performed for pay by any *insured*; or
- (f) **punitive damages** awarded against any *insured*.

4. "**Business**" means:

- a. trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
- b. any other activity, including civic or public, engaged in for money or other compensation.

Business does not include volunteer activities for which no money is received other than payment for expenses incurred to perform the activity.

5. "**Business Day**" when used in this policy means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.

6. "**Earthquake**" means shaking or trembling of the earth, whether caused by volcanic activity, tectonic processes or any other cause.

7. "**Fungi**" means any type or form of fungus, including yeast, mold or mildew, blight or mushroom and any mycotoxins, spores, scents or other substances, products or by-products produced, released by or arising out of **fungi**, including growth, proliferation or spread of **fungi** or the current or past presence of **fungi**. However, this definition does not include any **fungi** intended for consumption.

8. "**Insured**" means:

- a. you; and
- b. so long as you remain a resident of the Described Location, the following residents of your household at the Described Location:
 - (1) your relatives;
 - (2) any other person under the age of 21 who is in the care of any person described in 8.a. or 8.b.(1) above.

Under **Section II — Liability Coverages**, "**insured**" also means:

- c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in a. or b. A person or organization using or having custody of these animals or watercraft in the course of any **business**, or without permission of the owner is not an *insured*;

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- d. with respect to any vehicle to which this policy applies:
- (1) any person while engaged in your employment or the employment of any person included in a. or b.; or
 - (2) any other person using the vehicle on the *insured location* with any *insured's* permission.
9. "**Insured location**" means:
- a. the *residence premises*;
 - b. that part of any other premises, other structures and grounds, used by you as a residence and which is shown in the Declarations. This includes any premises, structures and grounds which are acquired by you during the policy period for use by you as a residence;
 - c. any part of a premises not owned by any *insured* but where any *insured* is temporarily residing;
 - d. vacant land owned by or rented to any *insured* other than farmland;
 - e. land owned by or rented to any *insured* on which a one, two, three or four family dwelling is being constructed as a residence for any *insured*;
 - f. individual or family cemetery plots or burial vaults of any *insured*;
 - g. any part of a premises occasionally rented to any *insured* for other than business purposes; or
 - h. the location shown as the *insured location* in the Declarations.
10. "**Occurrence**" means an accident, including exposure to conditions which results in:
- a. *bodily injury*; or
 - b. *property damage*;
- during the policy period. Repeated or continuous exposure to the same general conditions is considered to be one *occurrence*.
11. "**Personal Watercraft**" means jet skis, wet bikes or other craft, using a water jet pump powered by an internal combustion engine as the primary source of propulsion.
12. "**Pollutants and contaminants**" means any of the following:
- a. liquid fuels;
 - b. lead or any materials containing lead;
 - c. asbestos or any materials containing asbestos;
 - d. radon;
 - e. formaldehyde or any materials containing formaldehyde;
 - f. electric fields, magnetic fields, electromagnetic fields, power frequency fields, electromagnetic radiation or any other electric or magnetic energy of any frequency;
 - g. carbon monoxide;
 - h. pathogenic or poisonous biological materials;
 - i. acids, alkalis or chemicals;
 - j. radioactive substances; or
 - k. any other irritant or contaminant including waste, vapor, fumes or odors.
13. "**Property damage**" means physical damage to or destruction of tangible property, including loss of use of this property.
14. "**Punitive damages**" means damages which are awarded to punish or deter wrongful conduct, to set an example, to fine, penalize or impose a statutory penalty, and damages which are awarded for any purpose other than as compensatory damages for *bodily injury* or *property damage*.
15. "**Replacement cost**"
- a. In case of loss or damage to buildings, *replacement cost* means the cost, at the time of loss, to repair or replace the damaged property with new materials of like kind and quality, without deduction for depreciation.
 - b. In case of loss to personal property, *replacement cost* means the cost, at the time of loss, of a new article identical to the one damaged, destroyed or stolen. When the identical article is not

longer manufactured or is not available, **replacement cost** shall mean the cost of a new article similar to the one damaged or destroyed and which is of comparable quality and usefulness, without deduction for depreciation.

16. **"Residence employee"** means an employee of any **insured** who performs duties in connection with the maintenance or use of the **residence premises**, including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured**.

17. **"Residence premises"** means:

- a. the one, two, three or four family dwelling, used principally as a private residence;
- b. other structures and grounds; or
- c. that part of any other building;

where you reside and which is shown in the Declarations.

Residence premises does not include the residence premises of others on the insured location who are not relatives or under age 21 and in your care.

18. **"Salvage"** means property having value.

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APP 58

EXHIBIT A-1

SAFECO 002907

AMENDATORY ENDORSEMENT — TEXAS

It is agreed that the Quality Select Homeowners policy, CHO-6295, is amended as follows:

SECTION I — PROPERTY COVERAGES

BUILDING PROPERTY WE COVER**COVERAGE B — OTHER STRUCTURES**

Item 2. is deleted and replaced by the following:

2. other structures on the **residence premises**, separated from the dwelling by clear space. This includes retaining walls, driveways, walkways, decorative or privacy walls and other structures connected to the dwelling by only a fence, utility line, plumbing, or similar connection.

PERSONAL PROPERTY WE DO NOT COVER

Item 3.a. is deleted and replaced by the following:

- a. up to \$10,000 for motorized land vehicles used solely to service the **residence premises** and not subject to motor vehicle registration or licensed for road use, including farm equipment;

PROPERTY LOSSES WE DO NOT COVER

Under 5. **Pollutants and Contaminants**, the following is added as the second paragraph:

This exclusion does not apply to damage, including smoke, fumes, carbon monoxide, vapor or soot, caused by or arising from:

- a. covered fire including **hostile fire**; or
- b. covered loss originating or resulting from a household heating or cooling appliance or system.

"hostile fire" as used in this exclusion means a fire that becomes uncontrollable or breaks out from where it was intended to be.

(This is item 18. under **Building Property Losses We Do Not Cover** in the **Optimum Protection Homeowners Package, CHO-6391** and item 6. under **Property Losses We Do Not Cover** in the **Quality Select Plus Endorsement, CHO-6528**).

The following is added:

18. **Cosmetic loss or damage**, meaning any loss that is limited to the physical appearance of a metal roof surface.

Metal roof means all metal roofing materials on a metal roofing system. For purposes of this exclusion, metal roof does not include the coverings of bay or bow windows. This exclusion does not apply when the roof overlay is a material other than metal.

This exclusion does not apply to policies endorsed with **Optimum Protection Homeowners Package, CHO-6391**.

ADDITIONAL PROPERTY COVERAGES

Under item 2. **Building Ordinance or Law Coverage** the following changes are made:

Item e. is deleted and replaced by the following:

- e. the costs to comply with any ordinance which requires any **insured** or others to test for, monitor, cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants or contaminants**. However, for purposes of **Building Ordinance or Law Coverage**, **pollutants or contaminants** shall not include asbestos or materials containing asbestos or lead.

APP 59

5019 1300072ASHCOR626752133019



The following is added:

13. Criminal Conviction Reward.

- a. We will pay \$2,500 to an eligible person for information leading to the arrest and conviction of the person(s) committing a crime resulting in loss to covered property; and
- b. We will pay up to \$5,000 to an eligible person for the return of stolen covered property, when the loss is caused by theft. However, we will pay no more than the lesser of the following amounts:
 - (1) **actual cash value** of the stolen property at the time the property is returned, but not more than the amount that would have been required to repair or replace; or
 - (2) the amount determined by the loss settlement procedure applicable to the property returned had the property not been recovered.
- c. This coverage applies subject to the following conditions:
 - (1) An eligible person means that person identified by a law enforcement agency as being the first to provide the necessary information or return the stolen property, and who is not:
 - (a) an **insured**;
 - (b) a relative of an **insured**;
 - (c) an employee of a law enforcement agency;
 - (d) an employee of a **business** engaged in property protection;
 - (e) any person who had custody of the property at the time the theft was committed; or
 - (f) any person involved in the crime.
 - (2) No reward will be paid unless and until the person(s) committing the crime is (are) convicted or the property returned. The amount of the reward in items **a.** and **b.** above is the most we will pay for any one loss to an eligible person.

Item **14. Mortgage Acquisition Expense Coverage** is added as follows:

- 14. Mortgage Acquisition Expense Coverage.** In the event of a total loss of the dwelling shown in the Policy Declarations by a covered cause of loss, we will pay necessary expenses and fees toward the acquisition of a new first mortgage to repair or replace the insured dwelling, up to a maximum of \$5,000.

No deductible applies to this coverage.

This is an additional amount of insurance.

SECTION I — PROPERTY CONDITIONS

Under **4. Duties After Loss**, item **a.(1)** is deleted and replaced by the following:

- (1) give prompt notice to us or our agent.

Under **6. Loss Settlement**, item **a.(3)**, the \$1,000 amount listed is revised to \$2,500.

The following is added to **6. Loss Settlement**:

- c. We will not pay for any loss in value of property, whether actual or perceived, or any;
 - (1) adverse impact on the ownership of, or transfer of ownership or title of property; or
 - (2) adverse impact on the acquisition of financing resulting from the covered physical damage to the property. If **Mortgage Acquisition Expense Coverage** is provided under Additional Property Coverages, the application of this provision **c.** does not apply to the extent coverage is provided for **Mortgage Acquisition Expense**.

Item **7.** is deleted and replaced by the following:

- 7. Appraisal.** If you and we do not agree on the amount of the loss, including the amount of **actual cash value** or **replacement cost**, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will choose a competent and disinterested umpire; and failing for 15 days to agree upon such umpire, then, on request of you or the company after notice of hearing to the non-requesting party by certified mail, such

umpire shall be selected by a judge of a court of record in the county in which the property covered is located. The appraisers shall then resolve the issues surrounding the loss, appraise the loss, stating separately the **actual cash value** or **replacement cost** of each item, and failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two of these three, when filed with the company shall determine the amount of loss.

Each party will:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

The following is added to Item 13.:

A dwelling being constructed is not considered vacant;

SECTION II — LIABILITY COVERAGES

LIABILITY LOSSES WE DO NOT COVER

The following is added as the last paragraph of item 1.a.:

This exclusion does not apply to an **insured** under this policy who did not cooperate in the act or actions, or contribute to the resulting **bodily injury** or **property damage**.

Item 1.e.(2)(c) is deleted and replaced by the following:

- (c) a motorized land vehicle used solely for assisting the handicapped or solely for the maintenance of a residence, which is:
 - i. not designated for travel on public roads; and
 - ii. not subject to motor vehicle registration, licensing or permits;

Item 1.e.(2)(f) is added:

- (f) a motorized golf cart which is owned by an **insured**, designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and at the time of an **occurrence** is within the legal boundaries of:
 - i. a golfing facility and is parked or stored there, or being used by an **insured** to:
 - (i) play the game of golf or for other recreational or leisure activity allowed by the facility;
 - (ii) travel to or from an area where motor vehicles or golf carts are parked or stored; or
 - (iii) cross public roads at designated points to access other parts of the golfing facility; or
 - ii. a private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains the **insured's** residence.

The following is added as the last paragraph of item 2.i:

This exclusion does not apply to **bodily injury** or **property damage** sustained within a building on the **residence premises** and caused by, fire, smoke, fumes, including carbon monoxide, vapor or soot from equipment used to heat or cool that building.

ADDITIONAL LIABILITY COVERAGES

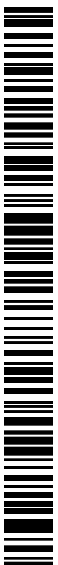
Item 2.a. is revised to read as follows:

- a. any notice, demand, summons, judgment, or any process is promptly forwarded to us as required by Condition 3.b. under **Your Duties After Loss**.

APP 61

EXHIBIT A-1

SAFECO 002910



Item 2. is deleted and replaced by the following:

2. **Concealment or Fraud.** This policy was issued in reliance upon the information provided on your application. We may deny coverage under this policy if you or an **insured** have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, at the time application was made or any time during the policy period. If false statements were made in the application for the policy or in the policy, we may void the policy if it is shown at trial that the matter misrepresented was material to the risk or contributed to the contingency or event on which the policy became due and payable.

We may deny coverage for a loss or **occurrence** if you or an **insured** have concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with presentation or settlement of a claim. We may void this policy if at the time of trial it is shown the misrepresentation was fraudulently made, misrepresented a fact material to the question of coverage under the policy and misled us and caused us to waive or lose a valid defense to the policy.

We may deny coverage because of fraud or material misrepresentation even after a loss or **occurrence**. This means we will not be liable for any claims or damages which would otherwise be covered. If we make a payment, we may request that you reimburse us if so, you must reimburse us for any payments we may have already made.

Item 4. **Cancellation** is deleted and replaced by the following:

- a. You may cancel this policy at any time by notifying us of the date cancellation is to take effect.
- b. We may cancel this policy at any time for the reasons stated in this condition by mailing you notice in writing of the date cancellation takes effect.
- (1) If this policy has been in effect for less than 60 days and is not a renewal policy, we may not cancel this policy unless:
- (a) we identify a condition that:
- i. creates an increased risk of hazard;
 - ii. was not disclosed in the application for insurance coverage; and
 - iii. is not the subject of a prior claim;
- (b) before the effective date of the policy we do not accept a copy of a required inspection report that:
- i. was completed by an inspector licensed by the Texas Real Estate Commission or who is otherwise authorized to perform inspections; and
 - ii. is dated not earlier than the 90th day before the effective date of the policy.
- An inspection report is deemed accepted unless we reject it before the 11th day after the date we receive it;
- (c) you do not pay the premium or any portion of the premium due;
- (d) the Texas Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state;
- (e) you submit a fraudulent claim; or
- (f) there is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium rate of this policy.

The effective date of cancellation cannot be before:

- (g) the 10th day after we mail notice if we cancel for reasons (c), (d), (e), or (f) above.
- (h) the 30th day after we mail notice if we cancel for any other reason.
- (2) If this policy has been in effect 60 days or more, or at any time if it is a renewal policy, we may not cancel this policy unless:
- (a) you do not pay the premium or any portion of the premium due.

APP 62

- (b) the Texas Department of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.
- (c) you submit a fraudulent claim.
- (d) there is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium rate of this policy.

The effective date of cancellation cannot be before the 10th day after we mail the notice. Our notice of cancellation must state the reason for cancellation.

- c. When this policy is canceled, we will send you any refund due not later than the 15th **business day** after the effective date of cancellation. The premium for the period from the date of cancellation to the expiration date will be refunded pro rata.
- d. If we cancel, our notice to you will state that this refund is not included with the notice, it will be returned on demand or not later than the 15th **business day** after the date of cancellation.
- e. We may not cancel this policy solely because you are an elected official.

POLICY DEFINITIONS

Under 2. "**Actual Cash Value**", item **d.** is deleted.

All other provisions of this policy apply.

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APP 63

EXHIBIT A-1

SAFECO 002912

FULL VALUE PERSONAL PROPERTY**1. PROPERTY COVERED**

For an additional premium, we cover personal property under **Coverage C** at *replacement cost* at the time of loss.

2. PROPERTY NOT COVERED

The following property is not eligible for *replacement cost* settlement. Any loss shall be settled at *actual cash value* at the time of loss but not exceeding the amount necessary to repair or replace:

- a. antiques, fine arts, paintings and similar articles of rarity or antiquity which cannot be replaced;
- b. memorabilia, souvenirs, collectors items and similar articles whose age or history contribute to their value;
- c. personal property not maintained in good or workable condition;
- d. personal property that is outdated or obsolete and is stored or not being used;
- e. property not owned by any *insured*;
- f. motorized land vehicles or earth moving or excavating equipment used to service the *residence premises*; and
- g. wood fences, structures that are not buildings, awnings, carpeting other than attached and outdoor equipment.

3. CONDITIONS

- a. We will pay the full cost of repair or replacement, but not exceeding the smallest of the following amounts:
 - (1) the limit of liability of this policy applicable to the damaged, destroyed or stolen property;
 - (2) the *replacement cost* of the property or any part;
 - (3) the full amount actually and necessarily incurred by the *insured* in repairing or replacing the property or any part;
 - (4) the direct financial loss you incur; or
 - (5) our pro rata share of any loss when divided with any other valid and collectible insurance applying to the covered property at the time of loss.
- b. We will pay the difference between *actual cash value* and *replacement cost* only after the damaged, destroyed or stolen property has actually been repaired or replaced.
- c. You may make a claim for loss on an *actual cash value* basis and then make a claim, within 180 days after loss, for any additional liability under *replacement cost*, after you have repaired or replaced the property.

All other provisions of this policy apply.

CHO-6529/TXEP 4/10

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APP 64

EXHIBIT A-1

SAFECO 002913

FOUNDATION WATER DAMAGE

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY

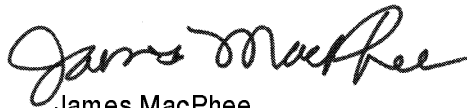
For an additional premium we cover accidental escape of water or steam from a plumbing or heating system within or below the floor slab, footings or foundation including settling, cracking, bulging, shrinking or expansion of foundations, floor slabs or footings that support the dwelling when damage is caused directly by accidental escape or leakage of water from a plumbing system. This extension of coverage applies only to property described under **Coverage A — Dwelling**.

1. Subject to the limit of liability shown in the Policy Declarations for Foundation Water Damage, we will pay for:
 - a. the cost of tearing out and replacing that part of the dwelling structure necessary to repair the system from which the escape or leakage occurred, including necessary tear out of the foundation. We do not cover loss to the system or appliance from which water or steam escaped;
 - b. the cost of testing the foundation, or dwelling structure related to the foundation;
 - c. the cost of testing of the plumbing or heating system;
 - d. the repair of the foundation and associated cosmetic damages;
 - e. the cost required to replace, rebuild, stabilize or otherwise restore the land necessary to repair the foundation; and
 - f. necessary increased living expenses or actual loss of rent. Loss of rent means the rental income to you from that part of the insured location you rent to others at the time of the loss, less any expenses that do not continue while the dwelling is uninhabitable. We do not cover loss of rent or expense due to cancellation of any rental or lease agreement.
2. We do not cover loss resulting from water or steam which escapes or overflows off the residence premises.
3. For purposes of this coverage, a plumbing system does not include a roof drain, gutter, downspout or similar fixtures or equipment.
4. This coverage only applies to loss:
 - a. discovered and occurring on or after the effective date of this endorsement; and
 - b. only if all reasonable means are used to save and preserve the property under Coverage A — Dwelling from further loss.
5. The limit of liability shown in the Policy Declarations for Foundation Water Damage is the most we will pay for the total of all losses or costs regardless of the:
 - a. number of damaged foundations or footings; or
 - b. the number of losses or claims made during the policy period.
6. Exceptions To Policy Provisions.
 - a. With respect to loss covered by this endorsement, **Additional Living Expense and Loss of Rent** coverage provided under **Section I — Coverage D** in the policy to which this endorsement is attached is deleted and replaced by the terms of this endorsement.
 - b. With respect to loss covered by this endorsement, **Land Stabilization** under **Section I — Additional Property Coverages** in the policy to which this endorsement is attached is deleted and replaced by the terms of this endorsement.
 - c. In the event policy provisions other than described in **a.** and **b.** are in conflict with this endorsement, the provisions of this endorsement shall apply.

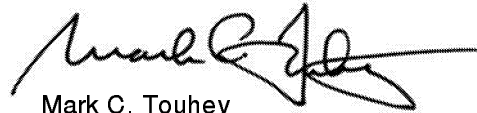
All other provisions of the policy shall apply.

5022X

This policy is signed on our behalf by our President and Secretary. It is countersigned by our authorized representative in your state.



James MacPhee
President



Mark C. Touhey
Vice President and Secretary

CHO-1232/TXEP 7/92 _____
G17

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APP 66

EXHIBIT A-1

SAFECO 002915

EXHIBIT A-2

Somma, Karen

From: Ugalde, Louis <Louis.Ugalde@LibertyMutual.com>
Sent: Thursday, June 20, 2019 3:49 PM
To: claimscomms1@libertymutual.com
Subject: Claim#:040013426-01 - Inbound: settle documents to insured
Attachments: Understanding Your Safeco Property Claim Estimate.pdf; 6.23.17-SafecoPeril - Understanding Your Property Claim Payment.pdf; LU 6 20 19 Payment Letter .pdf; Rodriguez Mario Estimate 1.PDF

From: Ugalde, Louis
Sent: Thursday, June 20, 2019 7:15:01 PM
To: Kmrb14@hotmail.com
Subject: Claim 040013426-01

Dear Mr. and Mrs. Rodriguez,

Mr. Rodriguez,

Thank you for taking the time to review the claim with me today. Here are the documents I mentioned I would send you.

Attached is a copy of your estimate and payment letter. We have issued you a check in the amount of \$27,449.88 for the damages to your property less your deductible and applicable depreciation.

For your convenience and information, I have outlined the remaining steps in the claims process below:

1. **“Actual Cash Value”** - The first step is payment of the “Actual Cash Value”, which is the total estimated cost of the repairs less depreciation and the deductible.
2. **“Repair Provider Selection”** - Please provide our estimate to the repair provider of your choice and ask that the repairs be completed as prescribed, even if they have completed their own estimate. Repair providers often require a deposit equal to your actual cash value along with your deductible before they begin work.
3. **“Supplemental Claim”** - Should your repair provider disagree with the suggested repairs (called the “scope of work”), find additional damage, or have pricing concerns please contact us immediately before any repairs begin. Additional damages may be handled as a supplement to the original estimate. If this occurs, an additional check may be issued to account for the supplement. **Any upgrades or changes to the scope during the repair process would be at your own expense.** You may send additional information to me via email or fax at 888-268-8840. Be sure to include your claim number on all correspondence to avoid any undue delay.
4. **“Recoverable Depreciation”** - Once the repairs have been completed, you or your repair provider can submit a certificate of completion with a final invoice, and a final check will be issued for your recoverable depreciation. This is represented on your estimate as “Recoverable Depreciation”, and is noted in the table above. If the final cost of repairs is less than the estimated amount, you may only recover up to the amount actually and necessarily spent to repair the damaged property less your deductible. **You have 365 days from the date of the loss in order to claim the recoverable depreciation under the replacement cost extension of coverage. Should you need an extension of time, please notify us in writing.**

If there is anything that I can do to assist you further, please do not hesitate to respond to my e-mail or call me directly.

Sincerely,

Track your claim, anytime, anywhere with your online account at [LibertyMutual.com](https://www.LibertyMutual.com) or [Safeco.com](https://www.Safeco.com)

Louis Ugalde

Claims Resolution Specialist
Liberty Mutual Insurance
P.O. Box 515097
Los Angeles, CA 90051-5097
Direct Dial: 844-499-1898 Ext. 6228
Facsimile: 866-791-7490



understanding your property claim estimate

Figuring out your property claim isn't easy, but Safeco has got you covered. This sample estimate will help you understand how we calculate your total payment.



View your claim anytime,
anywhere with your online account.

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1. Understanding line item details

For this sample, we will look at damages to the dwelling; however, based on your damages, your property claim estimate could also include other structures and content line items.

Sample Estimate							
DESCRIPTION	QTY	Unit Price	Tax	O&P	Replacement Cost Value	Depreciation	Actual Cash Value
Dwelling							
1. R&R 1/2" drywall — hung, taped, floated, ready for paint	32.00 SF	1.77	0.00	11.32	67.96	(5.61)	62.35
2. Seal/prime then paint surface area (2 coats)	400.00 SF	0.66	0.00	52.80	316.80	(105.60)	211.20
3. Range — freestanding — gas	1.00 EA	780.99	0.00	156.20	937.19	<312.39>	624.80
4. R&R shelving — 12" — in place	15.00 LF	7.81	0.00	23.44	140.59	(0.00)	140.59
5. Haul debris — per pickup truck load — including dump fees The payment for this item has not yet been incurred	1.00 EA	187.02	0.00	37.40	224.42	(0.00)	224.42
TOTALS			0.00	243.76	1,462.54	423.60	1,038.94

A Quantity (QTY)

Amount of material or time needed.

B Unit Price

Cost of material, labor, or equipment for each unit.

You can reference the Commonly Used Measurements below.

C Overhead & Profit (O&P)

Overhead and Profit is included in a repair estimate when the repair or replacement may involve a general contractor.¹

D Replacement Cost Value (RCV)

What you would pay to replace the item at today's cost: **Quantity (A) x Unit Price (B) + Overhead & Profit (C).**

E Depreciation (Deprec.)

Reduction in value of property over time due to age, use, and condition of item. Depending on your policy, some depreciation may be reimbursable.

F Actual Cash Value (ACV)

What you would pay for the item at today's cost minus depreciation: **Replacement Cost Value (D) - Depreciation (E).**

G Paid When Incurred (PWI)

Items (i.e., haul debris) that may not be necessary in the repair of your property. These items will be reimbursed to you after the expense is incurred.

2. Understanding labor minimums

H Labor Minimums Applied

DESCRIPTION	QTY	Unit Price	Tax	O&P	Replacement Cost Value	Depreciation	Actual Cash Value
Dwelling							
6. Drywall labor minimum	1.00 EA	182.79	0.00	36.56	219.35	(0.00)	219.35
Dwelling Totals:			0.00	36.56	219.35		219.35
Totals: Labor Minimums Applied			0.00	36.56	219.35	(0.00)	219.35
Subtotals: Labor Minimums Applied			0.00	256.88	1,541.30	423.60	1,117.70
LINE ITEM TOTALS: Sample Estimate			0.00	280.32	1,681.89	423.60	1,258.29

H Labor Minimum

Added labor to perform a minor repair, including transportation, setup, and various other contractor costs, if applicable.

Commonly Used Measurements

EA • Each SQ • Square
LF • Linear Foot HR • Hour
SF • Square Foot DA • Day
SY • Square Yard WK • Week
CF • Cubic Foot MO • Month
CY • Cubic Yard RM • Room

3. Your summary page

Summary for Dwelling		
Line Item Total	I	1,401.57
Overhead	J	140.16
Profit		140.16
Replacement Cost Value	K	\$1,681.89
Less Depreciation		(423.60)
Actual Cash Value	L	\$1,258.29
Less Deductible		(500.00)
Net Claim	M	\$758.29
Total Depreciation	N	423.60
Less Non-Recoverable Depreciation	O	<312.39>
Total Recoverable Depreciation	P	111.21
Total Paid When Incurred	Q	224.42
Net Claim if Additional Amounts Are Recovered		\$1,093.92

- I Line Item Total**
Total of all line items before overhead and profit, taxes, and deductions.
- J Overhead & Profit**
Total overhead and profit per coverage type, if applicable.
- K Replacement Cost Value (RCV)**
Total cost to repair or replace damage(s) to your home.
- L Actual Cash Value (ACV)**
Replacement Cost Value (K) minus Depreciation.
- M Net Claim**
Amount paid to you today. It is calculated by taking **Actual Cash Value (L)** minus Your Deductible (the portion you pay out of pocket).
- N Total Depreciation**
Total amount of depreciation of your property.
- O Less Non-Recoverable Depreciation**
The depreciation that is not reimbursable based on the loss settlement provisions in your policy.
- P Total Recoverable Depreciation**
The depreciation that's reimbursable based on the loss settlement provisions in your policy.
- Q Total Paid When Incurred**
The amount that will be reimbursed to you once this expense is incurred.



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Commonly Used Measurements

EA • Each	SQ • Square
LF • Linear Foot	HR • Hour
SF • Square Foot	DA • Day
SY • Square Yard	WK • Week
CF • Cubic Foot	MO • Month
CY • Cubic Yard	RM • Room

This document is not intended to be a complete summary of Safeco's claims handling practices and standards, nor does it address all claims scenarios.

The application of any information within this document will depend on specific facts, circumstances, policy language, and applicable law. Any failure to quote or refer to any specific policy provision in the body of this letter or otherwise is not a waiver of those provisions.

*Overhead and Profit is included in a repair estimate when the repair or replacement may involve a general contractor. Your Claims Representative will review overhead and profit with you if applicable.

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EXHIBIT A-2

APP 71
SAFECO 000527

SAPPHOME4b 2017/02 V1

understanding your property claim payment



View your claim anytime,
anywhere with your online account.

Visit [safeco.com/trackclaim](https://www.safeco.com/trackclaim)

Dealing with property damage can be confusing. This document will help you understand how we calculate your initial property claim payment.

Payment breakdown

If there is coverage for your claim, the first payment you receive will be the **Actual Cash Value** minus your **Deductible**.

$$\text{A} = \left[\text{B} - \text{C} \right] - \text{E}$$

Your Payment Amount = [Replacement Cost Value - Depreciation] - Deductible

D
Actual Cash Value

A. Your Payment — amount issued in your first check

B. Replacement Cost Value — what you would pay to repair or replace the item at today's cost

C. Depreciation — reduction in property value over time due to age, use, and condition of item

D. Actual Cash Value — what you would pay to repair or replace the item at today's cost minus depreciation

E. Deductible — amount you pay out of pocket toward repair or replacement costs

Let's walk through an example



Your Payment Amount (A)
is \$4,950.

5 years ago, you purchased a new roof for your home. It was damaged during a recent wildfire and is going to cost **\$7,000** to install a new roof today.

This is your **Replacement Cost Value (B)**.

Normal wear and tear over the last 5 years has reduced the value of your roof by **\$1,050 (or 15%)**.

This is your **Depreciation (C)**.

Your **Actual Cash Value (D)** is therefore \$5,950.

Your policy also has a portion that you pay out of pocket. Let's say that is **\$1,000**.

This is your **Deductible (E)**.



Your Payment Amount (A)
is \$1,600.

2 years ago you purchased a new couch. Unfortunately, it was also damaged during the wildfire and is going to cost **\$2,000** to purchase a new one today.

This is your **Replacement Cost Value (B)**.

There has also been normal wear and tear to your couch over the last 2 years due to daily use, which has reduced its value by **\$400 (or 20%)**.

This is your **Depreciation (C)**.

Your **Actual Cash Value (D)** is therefore \$1,600.

Since both your roof and couch are part of the same claim, you only have to pay your out-of-pocket expense once.

The **\$1,000 Deductible (E)** listed above will cover both items.

If you have replacement cost coverage, you'll need to submit proof of purchase or repairs (receipts or invoices). We'll then review and send you a check for the applicable recoverable depreciation, or the amount of depreciation reimbursable based on our estimate of repairs and/or replacement cost.

This document is not intended to be a complete summary of Safeco's claims handling practices and standards, nor does it address all claims scenarios. The application of any information within this document will depend on specific facts, circumstances, policy language, and applicable law. Any failure to quote or refer to any specific policy provision in the body of this letter or otherwise is not a waiver of those provisions. Depreciation rates and prices are used for example purposes only. Items depreciate at different rates depending on the type of items, useful life and condition. Your Claims Representative can discuss depreciation in more detail.
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EXHIBIT A-2

APP 72
SAFECO 000528

SAPPHOME5 2017/02 01



June 20, 2019

Mario Rodriguez
651 Well Rd
Plainview, TX 79072-0009

Claim Number: 040013426-01
Date of Incident: 5/25/2019

Dear Mario Rodriguez,

We are writing you to follow up on your recent property claim. Please know that our evaluation is complete and we've calculated the amount of coverage available under your policy.

The amount is based on a thorough review of the damages, the facts of the incident to date, and the cost of the repairs. If you haven't received a copy of the detailed damage estimate, please let me know and I'll send it to you.

How Your Payment Was Calculated

Before you begin repairs, we want to explain how we calculated your payment.

Below is a breakdown of the replacement cost value of your property:

\$	1,295.55	Dwelling/Home
\$	0.00	Emergency Services
\$	40,894.68	Other Structures such as a detached garage, shed, fencing, etc.
\$	0.00	Personal Property
\$	0.00	Scheduled Personal Property (SPP)
\$	0.00	Additional Living Expenses
\$	42,190.23	CLAIM TOTAL (prior to the following adjustments, as applicable)
\$	(0.00)	Less Personal Property Direct Replacement (<i>by National Vendor, Inc.</i>)
\$	(182.36)	Less applicable non-recoverable depreciation
\$	(0.00)	Less Other
\$	(669.93)	Less applicable recoverable depreciation <i>absorbed in other structure amount 45.67 remains in Dwelling coverage</i>
\$	(50.00)	Less Paid When Incurred (PWI)
\$	(12,099.06)	Less amount over policy
\$	(0.00)	Less prior payment(s)
\$	(1,739.00)	Less applicable deductible <i>absorbed in other structure over limit amount</i>
\$	27,449.88	Amount paid to you



CONTACT US

By phone

Tel: (806) 789-9254

Fax:

By E-mail

josh.herring@worleyia.com

Safeco Insurance Company of Indiana

Mailing Address:

P.O. Box 515097

Los Angeles, CA 90051-5097

Phone: (800) 332-3226

Fax: (888) 268-8840

Visit us online

Safeco.com



In some instances, additional damage connected to a claim may not have been readily apparent and was therefore not included in the initial estimate. If such damage should occur, please call me before the work begins, as all additional work must be pre-approved by Liberty Mutual and may require an inspection of the damage.

For your convenience we have outlined the remaining steps in the claims process below:

Depreciation

- If non-recoverable depreciation has been applied to a portion of your loss, your policy requires that property of this type be settled at actual cash value (depreciation applied).
- If recoverable depreciation has been applied, your policy allows for reimbursement for those depreciated items not exceeding the total amount it cost to repair or replace. Once the repairs are completed or the items have been replaced, please submit your receipt(s) to Safeco for review.
- The following conditions are required prior to reimbursement of recoverable depreciation:
 1. The structure must be repaired or property must be replaced
 2. You must have documentation to support that you have paid for the repairs or replacement of property.
 3. You must make claim for recoverable depreciation within 6 months of the later:
 - a) The last date you received a payment for actual cash value; or
 - b) The date of entry of a final order of a court of competent jurisdiction declaring your right to replacement cost.

(Certain Policy Forms and Endorsements may amend the general terms and conditions for claiming recoverable depreciation. For a complete explanation, please refer to your policy or ask your Claims Representative.)

Requesting Recoverable Depreciation

- Once the repairs are completed or the items have been replaced, please submit paid bills, receipts and/or cancelled checks for the repairs or replacement, including claim number, to the mailing address or fax number listed above. Documents can also be submitted online at www.Safeco.com. We will then consider payment of the difference between your incurred repair or replacement cost and the actual cash value of the loss. A reinspection of the repairs may be required.
- When submitting receipts for the replacement of personal property, please indicate on the receipt the corresponding item number from the personal property worksheet.



For Dwelling/Home or Other Structure Claims

Finding the Right Contractor

Safeco likely has relationships with experienced contractors in your area. Your Claims Representative can recommend one to you. If you prefer to find a contractor on your own, your Claims Representative can provide you with the **Need a Contractor? We've Got You Covered** guide.

Before Starting Repairs

Be sure to show our estimate to your contractor before work begins. Please call us if your contractor's estimate is higher than the one we provided. We are here to make sure you don't pay more than you need to.

If your mortgage company is named on your claim payment, please contact your mortgage company about releasing the funds to you for repairs.

Additional Damage

In some instances, additional damage may be found after repairs begin. If this happens, you or your contractor should contact your Claims Representative and hold off on making any new repairs until you speak with us. Depending on the nature of the damage, we may need to reinspect your home. If we find the additional damage is related to your claim, we'll update the repair estimate.

After Repairs Are Completed

If you've made any improvements to your home or replaced the roofing shingles on your home, you'll need to update your policy accordingly. Simply contact your Sales Representative or call 1-800-332-3226.

We're Here to Help

If you have any questions, email or call us directly. We can assist you more quickly if you reference your claim number in all communications.

Thank you for trusting Safeco with your insurance needs.

Sincerely,

Josh Herring
Your Safeco Claims Department



Safeco Insurance Company

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Insured: Mario Rodriquez
Property: 651 WELL RD
PLAINVIEW, TX 79072-0009
Home: 651 WELL RD
PLAINVIEW, TX 79072-0009

Home: (806) 292-1406
E-mail: Kmrb14@hotmail.com

Claim Rep.: UGALDE, LOUIS
Business: SUITE 600 255 PRIMERA BLVD
LAKE MARY, FL 32746

Business: (844) 499-1898 x 6228
E-mail: LOUIS.
UGALDE@LIBERTYMUTUAL.
COM

Claimant: Rodriquez, Mario
Home: 651 WELL RD
PLAINVIEW, TX 79072-0009

Home: (806) 292-1406

Estimator: Josh Herring

Business: (806) 789-9254
E-mail: josh.herring@worleyia.com

Reference: www.safeco.com
Company: Safeco Insurance Company of Indiana
Business: Safeco

Claim Number: 040013426-01

Policy Number: OY7910811

Type of Loss: Tornado

Date Contacted: 5/29/2019 11:40 AM
Date of Loss: 5/25/2019
Date Inspected: 6/1/2019
Date Est. Completed: 6/19/2019 5:17 PM

Date Received: 5/26/2019
Date Entered: 5/28/2019 9:18 PM

Price List: TXLB8X_JUN19
Restoration/Service/Remodel
Estimate: MARIO_RODRIQUEZ



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In the following pages, you will find the estimated cost of covered repairs to your property.

The estimated cost of covered repairs to your home is calculated using current local prices that are usual and customary. This estimate is based on the replacement cost of the damaged property, less your policy deductible and any applicable depreciation.

Your current mortgage company may be listed as the payee on payment(s) for the covered repairs to your home. If so, you will need to contact your mortgage company to determine their procedures for processing claims payments. The mortgage company will not be listed on payments for your personal property.

We encourage you to work with a contractor of your choice in completing the repairs to your home. If you or your contractor has any questions or concerns about this estimate, please contact me at the number shown above. It is important to call us with questions prior to beginning repairs, as any changes in the scope of damages or pricing must be pre-approved by Safeco Insurance.

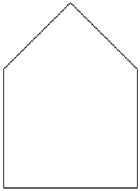
If you have any questions about this estimate, please do not hesitate to contact us at the numbers provided above.

Thank you for insuring with Safeco Insurance. We appreciate your business.

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1961.30	Surface Area	19.61	Number of Squares
186.13	Total Perimeter Length	39.21	Total Ridge Length
73.74	Total Hip Length		

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
No storm related damages noted to the dwelling roof.						
Totals: Dwelling			0.00	0.00	0.00	0.00



243.75 SF Walls
243.75 SF Long Wall
25.96 LF Ceil. Perimeter

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
1. R&R Soffit - metal	60.42 SF	6.01	11.96	375.08	(14.55)	360.53
2. R&R Fascia - metal - 6"	15.58 LF	5.15	1.93	82.17	(3.16)	79.01
3. R&R 6" x 6" square wood post - Labor only	14.00 LF	4.45	0.00	62.30	(0.55)	61.75
4. R&R Siding - hardboard - lap pattern - 12"	24.00 SF	4.33	2.87	106.79	(2.01)	104.78
5. Exterior - paint one coat	147.75 SF	0.52	1.83	78.66	(10.48)	68.18
Totals: Front Elevation			18.59	705.00	30.75	674.25

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
No storm related damages noted to the right elevation.						
Totals: Right Elevation			0.00	0.00	0.00	0.00

**Safeco Insurance Company**

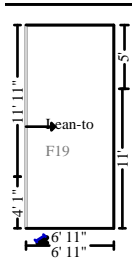
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Rear Elevation

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
No storm related damages noted to the rear elevation.						
Totals: Rear Elevation			0.00	0.00	0.00	0.00

Left Elevation

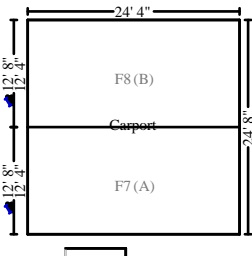
DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
6. R&R Soffit - metal	62.00 SF	6.01	12.28	384.90	(14.92)	369.98
Totals: Left Elevation			12.28	384.90	14.92	369.98

**Lean-to**

111.04 Surface Area
45.88 Total Perimeter Length

1.11 Number of Squares

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
7. Wall/roof panel - ribbed - 26 gauge - up to 1"	42.00 SF	3.46	4.75	150.07	<4.01>	146.06
Totals: Lean-to			4.75	150.07	4.01	146.06

**Carport**

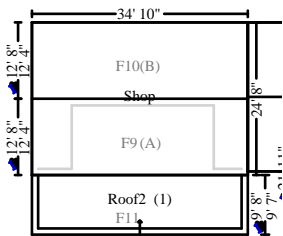
618.45 Surface Area
99.50 Total Perimeter Length

6.18 Number of Squares
24.35 Total Ridge Length

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
8. R&R Column - 4" sq. tube w/base pl./top bkt.	32.00 LF	45.54	57.13	1,514.41	<16.79>	1,497.62
9. R&R Steel purlins - C-shape - 8"	192.00 LF	11.20	91.71	2,242.11	<24.98>	2,217.13
10. R&R Metal roofing - ribbed - 26 gauge - up to 1"	618.45 SF	5.19	69.90	3,279.66	<82.34>	3,197.32

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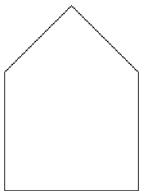
DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
11. R&R Ridge cap - metal roofing	24.35 LF	7.71	4.48	192.21	<3.39>	188.82
12. R&R Gable trim for metal roofing - 26 gauge	50.79 LF	5.98	10.60	314.32	<7.69>	306.63
13. R&R Exterior outlet or switch	1.00 EA	21.92	0.65	22.57	<3.90>	18.67
14. R&R 110 volt commercial wiring/conduit and box - rough in only	1.00 EA	179.20	1.47	180.67	<3.31>	177.36
Totals: Carport			235.94	7,745.95	142.40	7,603.55



1220.61 Surface Area
174.58 Total Perimeter Length

12.21 Number of Squares
34.83 Total Ridge Length

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
15. R&R Steel purlins - Z-shape - 8"	69.67 LF	11.19	33.22	812.83	(9.05)	803.78
16. R&R Gable trim for metal roofing - 26 gauge	35.04 LF	5.98	7.31	216.85	(5.30)	211.55
17. R&R Metal roofing - ribbed - 26 gauge - up to 1"	1,220.61 SF	5.19	137.96	6,472.93	(162.52)	6,310.41
18. R&R Eave trim for metal roofing - 26 gauge	24.67 LF	5.48	4.40	139.59	(3.39)	136.20
19. R&R Vinyl-faced/laminated insulation - 4"	1,220.61 SF	1.23	81.57	1,582.92	(18.50)	1,564.42
20. R&R Ridge cap - metal roofing	34.83 LF	7.71	6.41	274.95	(4.85)	270.10
Totals: Shop			270.87	9,500.07	203.61	9,296.46



518.00 SF Walls
518.00 SF Long Wall
24.99 LF Ceil. Perimeter

24.67 LF Floor Perimeter
518.00 SF Short Wall

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
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DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
21. R&R Wall panel - ribbed - 26 gauge - up to 1"*	260.00 SF	3.77	29.39	1,009.59	(24.77)	984.82
22. Reglaze window, 1 - 9 sf	2.00 EA	68.93	6.53	144.39	(16.05)	128.34
23. Additional charge for a retrofit window, 3-11 sf	2.00 EA	69.37	1.44	140.18	(9.35)	130.83
24. R&R Outside/Inside corner - 26 gauge	40.00 LF	6.48	9.97	269.17	(4.71)	264.46
25. R&R Metal J trim - metal building	68.00 LF	4.02	6.56	279.92	(4.63)	275.29
Totals: Shop Front Elevation			53.89	1,843.25	59.51	1,783.74

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
26. R&R Column - 4" sq. tube w/base pl./top bkt.	12.00 LF	45.54	21.42	567.90	(6.30)	561.60
27. R&R Steel purlins - C-shape - 8"	531.33 LF	11.20	253.80	6,204.69	(69.12)	6,135.57
28. R&R Metal roofing - ribbed - 26 gauge - up to 1"	1,498.25 SF	5.19	169.34	7,945.26	(199.49)	7,745.77
29. R&R Ridge cap - metal roofing	66.98 LF	7.71	12.32	528.74	(9.33)	519.41
30. R&R Gable trim for metal roofing - 29 gauge	47.45 LF	5.43	8.26	265.91	(6.45)	259.46
Totals: Barn			465.14	15,512.50	290.69	15,221.81

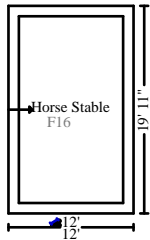
DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
No damage noted to the well house roof or elevations.						

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CONTINUED - Well House

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
Totals: Well House			0.00	0.00	0.00	0.00

**Horse Stable**

239.84 Surface Area
 63.92 Total Perimeter Length
 2.40 Number of Squares

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
31. R&R Steel purlins - C-shape - 8"	40.00 LF	11.20	19.11	467.11	<5.20>	461.91
32. R&R Metal roofing - ribbed - 29 gauge - up to 1"	239.84 SF	5.02	23.74	1,227.74	<30.75>	1,196.99
Totals: Horse Stable			42.85	1,694.85	35.95	1,658.90
Total: Main Level			1,104.31	37,536.59	781.84	36,754.75

Fencing

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
Front run						
33. R&R Wall/roof panel - ribbed - 29 gauge - up to 1"	240.00 SF	3.60	23.76	887.76	(21.69)	866.07
34. R&R Post - 2 3/8" diameter metal - 6' high fence	4.00 EA	60.68	8.18	250.90	(14.28)	236.62
Right run						
35. Wood fence 5' - 6' high - Detach & reset - per 8' section	6.00 EA	74.88	1.06	450.34	(0.00)	450.34
36. R&R Post - 2 3/8" diameter metal - 6' high fence	6.00 EA	60.68	12.28	376.36	(21.41)	354.95
Left run						
37. R&R Steel pipe fence - 3 rail - 4' high - used/salvaged pipe	60.00 LF	19.25	38.12	1,193.12	(13.07)	1,180.05
Totals: Fencing			83.40	3,158.48	70.45	3,088.03

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Debris Removal

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
38. Dumpster load - Approx. 30 yards, 5-7 tons of debris	1.00 EA	1,250.00	0.00	1,250.00	(0.00)	1,250.00
Additional 5% of other structure limit						
39. Debris disposal - (Bid Item)	1.00 EA	50.00	0.00	50.00	(0.00)	50.00
The payment for this item has not yet been incurred.						
The payment for this item has not yet been incurred. - Allowance to haul off and dispose of all non-roof and non-salvageable debris created when making repairs. Roofing debris is included in roof pricing.						
Totals: Debris Removal			0.00	1,250.00	0.00	1,250.00

Labor Minimums Applied

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	RCV	DEPREC.	ACV
40. Electrical labor minimum*	1.00 EA	39.51	0.00	39.51	(0.00)	39.51
41. Framing labor minimum*	1.00 EA	62.81	0.00	62.81	(0.00)	62.81
42. Painting labor minimum*	1.00 EA	92.84	0.00	92.84	(0.00)	92.84
Totals: Labor Minimums Applied			0.00	195.16	0.00	195.16
Line Item Totals: MARIO_RODRIQUEZ			1,187.71	42,140.23	852.29	41,287.94

Grand Total Areas:

761.75 SF Walls	0.00 SF Ceiling	761.75 SF Walls and Ceiling
0.00 SF Floor	0.00 SY Flooring	49.67 LF Floor Perimeter
761.75 SF Long Wall	761.75 SF Short Wall	50.95 LF Ceil. Perimeter
0.00 Floor Area	0.00 Total Area	0.00 Interior Wall Area
7,703.46 Exterior Wall Area	0.00 Exterior Perimeter of Walls	
5,755.03 Surface Area	57.55 Number of Squares	792.57 Total Perimeter Length
175.13 Total Ridge Length	73.74 Total Hip Length	

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Coverage	Item Total	%	ACV Total	%
Dwelling	1,245.55	2.96%	1,199.88	2.91%
Contents	0.00	0.00%	0.00	0.00%
Other Structures	39,644.68	94.08%	38,838.06	94.07%
Debris Removal	1,250.00	2.97%	1,250.00	3.03%
Total	42,140.23	100.00%	41,287.94	100.00%

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Summary for Dwelling

Line Item Total	1,214.68
Material Sales Tax	30.87
Replacement Cost Value	\$1,245.55
Less Depreciation	(45.67)
Actual Cash Value	\$1,199.88
Net Claim	\$1,199.88
Total Recoverable Depreciation	45.67
Total Paid When Incurred	50.00
Net Claim if Additional Amounts are Recovered	\$1,295.55

Additional Amounts include depreciation that has been recovered and Paid When Incurred (PWI) items. Paid When Incurred (PWI) items refer to items, which may not be necessary in the repair of your property damaged by a covered loss. If incurred, or completed, reimbursement of reasonable costs will be made up to the maximum amounts identified as eligible for PWI in the estimate.

Dwelling Paid When Incurred

Line Item Total	50.00
Replacement Cost Value	\$50.00
Total Paid When Incurred	\$50.00
Net Claim	\$1,199.88
Net Claim if Additional Amounts are Recovered	\$1,295.55

Josh Herring

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Summary for Other Structures

Line Item Total	38,487.84
Material Sales Tax	1,156.84
Replacement Cost Value	\$39,644.68
Less Depreciation	(806.62)
Actual Cash Value	\$38,838.06
Less Deductible	(1,739.00)
Less Amount Over Limit(s)	(12,099.06)
Net Claim	\$25,000.00
Total Depreciation	806.62
Less Non-Recoverable Depreciation	<182.36>
Less Residual Amount Over Limit(s)	(624.26)
Total Recoverable Depreciation	0.00
Net Claim if Depreciation is Recovered	\$25,000.00

 Josh Herring



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Summary for Debris Removal

Line Item Total	1,250.00
Replacement Cost Value	\$1,250.00
Net Claim	\$1,250.00

Josh Herring

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Recap of Taxes

	Material Sales Tax (8.25%)	Cleaning Mtl Tax (8.25%)	Cleaning Sales Tax (8.25%)	Manuf. Home Tax (5%)	Storage Rental Tax (8.25%)	Total Tax (8.25%)
Line Items						
	1,187.71	0.00	0.00	0.00	0.00	0.00
Total	1,187.71	0.00	0.00	0.00	0.00	0.00

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Recap by Room**Estimate: MARIO_RODRIQUEZ****Area: Main Level**

Front Elevation		686.41	1.68%
Coverage: Dwelling	100.00% =	686.41	
Left Elevation		372.62	0.91%
Coverage: Dwelling	100.00% =	372.62	
Lean-to		145.32	0.35%
Coverage: Other Structures	100.00% =	145.32	
Carport		7,510.01	18.34%
Coverage: Other Structures	100.00% =	7,510.01	
Shop		9,229.20	22.54%
Coverage: Other Structures	100.00% =	9,229.20	
Shop Front Elevation		1,789.36	4.37%
Coverage: Other Structures	100.00% =	1,789.36	
Barn		15,047.36	36.74%
Coverage: Other Structures	100.00% =	15,047.36	
Horse Stable		1,652.00	4.03%
Coverage: Other Structures	100.00% =	1,652.00	

Area Subtotal: Main Level		36,432.28	88.96%
Coverage: Dwelling	2.91% =	1,059.03	
Coverage: Other Structures	97.09% =	35,373.25	
Fencing		3,075.08	7.51%
Coverage: Other Structures	100.00% =	3,075.08	
Debris Removal		1,250.00	3.05%
Coverage: Debris Removal	100.00% =	1,250.00	
Labor Minimums Applied		195.16	0.48%
Coverage: Dwelling	79.76% =	155.65	
Coverage: Other Structures	20.24% =	39.51	

Subtotal of Areas		40,952.52	100.00%
Coverage: Dwelling	2.97% =	1,214.68	
Coverage: Other Structures	93.98% =	38,487.84	
Coverage: Debris Removal	3.05% =	1,250.00	

Total		40,952.52	100.00%
--------------	--	------------------	----------------

**Safeco Insurance Company**

PO Box 515097
Los Angeles, CA 90051-5097
(800)-332-3226
(888) 268-8840 Fax

Recap by Category with Depreciation

Items			RCV	Deprec.	ACV
GENERAL DEMOLITION			5,535.82		5,535.82
Coverage: Dwelling	@	0.97% =	53.73		
Coverage: Other Structures	@	76.45% =	4,232.09		
Coverage: Debris Removal	@	22.58% =	1,250.00		
ELECTRICAL			222.18	7.05	215.13
Coverage: Other Structures	@	100.00% =	222.18		
FENCING			1,905.98	46.88	1,859.10
Coverage: Other Structures	@	100.00% =	1,905.98		
FRAMING & ROUGH CARPENTRY			104.39	0.55	103.84
Coverage: Dwelling	@	100.00% =	104.39		
INSULATION			1,306.05	17.41	1,288.64
Coverage: Other Structures	@	100.00% =	1,306.05		
METAL STRUCTURES & COMPONENTS			2,285.20	57.94	2,227.26
Coverage: Other Structures	@	100.00% =	2,285.20		
PAINTING			169.67	10.24	159.43
Coverage: Dwelling	@	100.00% =	169.67		
ROOFING			18,877.12	503.38	18,373.74
Coverage: Other Structures	@	100.00% =	18,877.12		
SIDING			97.44	1.95	95.49
Coverage: Dwelling	@	100.00% =	97.44		
SOFFIT, FASCIA, & GUTTER			789.45	31.58	757.87
Coverage: Dwelling	@	100.00% =	789.45		
STEEL COMPONENTS			9,382.62	125.10	9,257.52
Coverage: Other Structures	@	100.00% =	9,382.62		
WINDOW REGLAZING & REPAIR			137.86	15.32	122.54
Coverage: Other Structures	@	100.00% =	137.86		
WINDOWS - VINYL			138.74	9.25	129.49
Coverage: Other Structures	@	100.00% =	138.74		
Subtotal			40,952.52	826.65	40,125.87
Material Sales Tax			1,187.71	25.64	1,162.07
Coverage: Dwelling	@	2.60% =	30.87		
Coverage: Other Structures	@	97.40% =	1,156.84		
Total			42,140.23	852.29	41,287.94

Any person who knowingly, and with the intent to injure, defraud or deceive, submits information to an insurer that is false, incomplete or misleading, may be guilty of a crime.

EXHIBIT A-3

Somma, Karen

From: Adams, Sarah <Sarah.Adams02@LibertyMutual.com>
Sent: Thursday, September 26, 2019 4:52 PM
To: Kmr14@hotmail.com
Subject: claim # Claim#:040013426-01
Attachments: Supplement payment letter.pdf



Hello

I have issued you a payment in the amount of \$1,000 for the ATV repairs. You will receive it in the mail in 5-7 days. I have included a copy of the payment letter for your records. Thank you for allowing me to help you through this claim process.

Sincerely,
Sarah Adams



Track your claim anytime, anywhere with your online account.



**View claim
status**



**Check payment
information**



**View your Claims
Representative's
information**

Login →

Policy Underwritten by **Safeco Insurance Company of Indiana**

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Track your claim, anytime, anywhere with your online account at LibertyMutual.com or Safeco.com

Sarah Adams

Claims Resolution Specialist
Liberty Mutual Insurance
P.O. Box 515097
Los Angeles, CA 90051-5097
Direct Dial: 844-499-1898 Ext 6221
Facsimile: 844-791-7490



September 25, 2019

Mario Rodriguez
651 Well Rd
Plainview, TX 79072-0009

Claim Number: 040013426-01
Date of Incident: 5/25/2019

Dear Mr. Rodriguez,

At Safeco, our goal is to make your claims experience as easy and worry-free as possible. I'm writing you now to share the latest information about your claim.

I recently reviewed your claim for supplemental damages, which are the additional damages discovered while repairs were being completed. As a result of my review, I have issued you a payment. Please see the breakdown below:

\$	1,295.55	Dwelling/Home
\$	40,894.68	Other Structures such as a detached garage, shed, fencing etc.
\$	1,865.46	Personal Property
\$	44,055.69	CLAIM TOTAL (prior to the following adjustments, as applicable)
\$	(182.36)	Less applicable non-recoverable depreciation
\$	(669.93)	Less applicable recoverable depreciation
\$	(50.00)	Less Paid When Incurred (PWI)
\$	(12,964.52)	Less other (<i>amount over policy limit</i>)
\$	(27,449.88)	Less prior payment(s)
\$	(1,739.00)	Less applicable deductible, which was applied to a previous payment
\$	1,000.00	Amount paid to you

Please review the information provided below to better understand your payment and the claim process.

For Damage to Your Home

- To protect your property, please begin the repair process as soon as possible.
- Before starting repairs, make sure your contractor emails me their estimate (if different from the Safeco estimate) and any photos, prior to starting any repairs.



CONTACT US

By phone

Tel: (844) 499-1898 X 6221

Fax: (866) 791-7490

By E-mail

sarah.adams02@libertymutual.com

Safeco Insurance Company of Indiana

Mailing Address:

P.O. Box 515097

Los Angeles, CA 90051-5097

Phone: (800) 332-3226

Fax: (888) 268-8840

Visit us online

Safeco.com

Depreciation

- If non-recoverable depreciation has been applied to a portion of your loss, your policy requires that property of this type be settled at actual cash value (depreciation applied).
- If recoverable depreciation has been applied, your policy allows for reimbursement for those depreciated items not exceeding the total amount it cost to repair or replace. Once the repairs are completed or the items have been replaced, please submit your receipt(s) to Safeco for review.
- The following conditions are required prior to reimbursement of recoverable depreciation:
 1. The structure must be repaired or property must be replaced
 2. You must have documentation to support that you have paid for the repairs or replacement of property.
 3. You must make claim for recoverable depreciation within 6 months of the later:
 - a) The last date you received a payment for actual cash value; or
 - b) The date of entry of a final order of a court of competent jurisdiction declaring your right to replacement cost.

(Certain Policy Forms and Endorsements may amend the general terms and conditions for claiming recoverable depreciation. For a complete explanation, please refer to your policy or ask your Claims Representative.)

Requesting Recoverable Depreciation

- Once the repairs are completed or the items have been replaced, please submit paid bills, receipts and/or cancelled checks for the repairs or replacement, including claim number, and the corresponding line number from your itemized list of contents to the mailing address or fax number listed above. Documents can also be submitted online at www.Safeco.com. We will then consider payment of the difference between your incurred repair or replacement cost and the actual cash value of the loss. A reinspection of the repairs may be required.
- When submitting receipts for the replacement of personal property, please indicate on the receipt the corresponding item number from the personal property worksheet.

For Damage to Your Personal Property

If Personal Property Is Damaged

- When replacing a damaged item, make sure the new item is like the original in quality and functionality.
- When submitting receipts for replacement items, please write the claim number on the receipt and the corresponding line number from your itemized list of contents.

If Scheduled Personal Property Is Recovered

- You must notify me immediately if you recover any scheduled personal property (or other property) that we've made a payment for under this claim.
- If you recover any property after your claim is settled, please contact me so we can discuss your options.
- If Safeco recovers any property after your claim is settled, we will contact you to discuss your options.
- If we made a payment for a scheduled personal property item, and that item is later recovered, Safeco may be entitled to that item.



Understanding Your Payment

We believe you should be fully informed throughout the entire claims process. That includes learning about your payment. I can review this with you personally or you can ask me for the ***Understanding Your Property Claim Payment*** guide.

Here to Help

If you have any questions, feel free to email or call me. I can assist you more quickly if you reference your claim number in all communications.

Thank you for trusting Safeco with your Insurance needs.

Sincerely,

Sarah Adams
Your Safeco Claims Team

EXHIBIT B

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
LUBBOCK DIVISION**

MARIO RODRIQUEZ,

Plaintiff,

vs.

**SAFECO INSURANCE COMPANY
OF INDIANA,**

Defendant.

§
§
§
§
§
§
§
§
§

CIVIL ACTION NO. 5:20-cv-00168

AFFIDAVIT OF MICHAEL DIKSA

STATE OF TEXAS

§
§
§

COUNTY OF DALLAS

Before me, the undersigned notary, on this day personally appeared Michael Diksa, the affiant, a person whose identity is known to me, who swore and testified as follows:

1. “My name is Michael Diksa. I am over 18 years of age, of sound mind and capable of making this affidavit. I am an attorney with Tillman Batchelor LLP, counsel of record for Defendant Safeco Insurance Company of Indiana (“Safeco” or “Defendant”) in the above-styled and numbered cause brought by Plaintiff (the “Lawsuit”). The facts stated in this affidavit are based on my personal knowledge and are true and correct.

2. On July 21, 2021, on behalf of Defendant, I sent a letter to Plaintiff’s counsel invoking appraisal and designating Randall Taylor as Defendant’s appraiser pursuant to the terms and conditions of Plaintiff’s insurance policy. A true and correct copy of the letter invoking appraisal is attached as **Exhibit B-1**.

3. On August 8, 2021, Plaintiff's counsel sent correspondence to me appointing Shan Bell as Plaintiff's appraiser. A true and correct copy of this correspondence is attached as **Exhibit B-2**. The appraisers subsequently agreed to appoint Donny Reed as umpire.

4. On April 6, 2022, I received correspondence from Safeco's appraiser attaching an appraisal award (the "Appraisal Award") signed by Plaintiff's appraiser on April 5, 2022 and signed by the umpire on April 4, 2022. The Appraisal Award totaled \$71,840.25 RCV/\$68,973.34 ACV. A true and correct copy of the Appraisal Award is attached as **Exhibit B-3**.

5. On April 12, 2022, Safeco issued a check to Plaintiff in the amount of \$32,447.73, representing the ACV portion of the Appraisal Award after applying the \$25,000 Other Structures limit, the \$1,000 motorized land vehicles limit, and Safeco's prior payments. Also on April 12, 2022, Safeco issued a check to Plaintiff in the amount of \$9,458.40, representing any conceivable interest Plaintiff could allege to be owed under the Texas Prompt Payment of Claims Act on the \$32,447.73 Appraisal Award payment. On April 18, 2022, I sent correspondence to Plaintiff's counsel enclosing the two checks. A true and correct copy of the April 18, 2022 letter to Plaintiff's counsel with copies of the enclosed checks is attached as **Exhibit B-4**. Plaintiff's counsel received the letter and enclosed checks on April 19, 2022. A true and correct copy of Federal Express delivery confirmation is attached as **Exhibit B-5**.

FURTHER AFFIANT SAYETH NOT.



MICHAEL DIKSA

Subscribed and sworn to before me this 14th day of July, 2022.

Notary Public State of Texas
Diane Marie Ferguson
Notary ID #128833556
My Commission Expires
December 22, 2023



Notary Public in and for the State of Texas

EXHIBIT B-1



Mike Diksa
469.706.0990
mike.diksa@tb-llp.com

July 21, 2021

VIA E-MAIL

James Willis
DALY & BLACK, PC
2211 Norfolk Street, Suite 800
Houston, Texas 77098
jwillis@dalyblack.com

Re: Insured: Mario Rodriguez
Claim No.: 040013426
Policy No.: OY7910811
Property: 651 Well Rd., Plainview, Texas 79072

James:

Safeco Insurance Company of Indiana (“Safeco”) issued Policy No. OY7910811 (the “Policy”) to your client Mario Rodriguez (the “Insured”) with effective dates of from February 20, 2019 through February 20, 2020. Subject to its terms and conditions, the Policy covered property located at 651 Well Rd., Plainview, Texas 79072 (the “Property”).

The Policy contains the following provision:

7. **Appraisal** If you and we do not agree on the amount of the loss, including the amount of **actual cash value** or **replacement cost**, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon such umpire, then, on request of you or the company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then resolve the issues surrounding the loss, appraise the loss, stating separately the **actual cash value** or **replacement cost** of each item, and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two of these three, when filed with the company shall determine the amount of loss.

Each party will:

- a. pay its own appraiser; and
- b. bear the other expenses of the appraisal and umpire equally.

See Amendatory Endorsement - Texas, page 2-3.

James Willis
Mario Rodriguez – Appraisal Demand
July 21, 2021
Page 2

Safeco invokes the above appraisal clause and demands appraisal of the Insured's loss. Safeco has selected the following disinterested appraiser to appraise the loss in accordance with the Policy's terms and conditions:

Randall Taylor
West Fire Appraisal and Professional Services
1114 Avenue C
Katy, Texas 77493
(713) 682-2494
Email: randall@westfireinc.com

Safeco requests that the Insured select a competent and disinterested appraiser and notify Safeco of such appraiser within twenty (20) days of the date of this letter.

Nothing in this letter or in any previous communication, written or oral, by any representative of Safeco is intended to, and shall not, constitute a waiver by Safeco of its right to rely on any other term, provision or condition of the Policy or upon applicable law. Safeco continues to fully reserve its rights, and no act performed by Safeco in the defense of the above-referenced lawsuit is to be considered a waiver of any rights, remedies, or defenses either at law or under the Policy.

Sincerely,



Michael Diksa

EXHIBIT B-2

Subject: Plaintiff's Designation of Appraiser: Rodriquez v. Safeco

Date: Sunday, August 8, 2021 at 10:12:09 PM Mountain Daylight Time

From: James Willis

To: Mike Diksa

CC: Darwin Blanco

Mike,

I hope you had a great weekend. Plaintiff designates:

Shan Bell

Cross Bell Consulting

512-773-6068

shanbell12@hotmail.com

Thanks,

James

JAMES WINSTON WILLIS

SHAREHOLDER

DALY & BLACK, P.C.

2211 Norfolk St. | Suite 800

Houston, TX 77098

P. (713) 655-1405

F. (713) 655-1587

www.dalyblack.com

EXHIBIT B-3

Appraisal Award Form

State of Texas
County of Hale

Subject: **Insured:** **Mario Rodriguez**
 Carrier: **Safeco Insurance**
 Address: **651 Well Road, Plainview, TX 79072**
 Claim #: **040013426-01**
 D/O/L: **6/12/2017**

We, the undersigned, pursuant to our appointment as appraisers and / or umpire in the above referenced appraisal, DO HEREBY CERTIFY, that we have conscientiously performed the duties assigned to us and have appraised the value of all loss presented as follows:

	RCV LOSS	Depreciation	ACV LOSS
Dwelling	\$36,514.52	(\$2,866.91)	\$33,647.61
Other Structures	\$33,460.27	(\$0.00)	\$33,460.27
Contents	\$1,865.46	(\$0.00)	\$1,865.46
	\$71,840.25	(\$2,866.91)	\$68,973.34

STIPULATION

Per attached estimate, this award is made without consideration of any deductibles or any and all prior payments. Such deductibles and prior payments will be subtracted from any payments due and owing as a result of the entry of this award. This award is made subject to the policy terms, conditions, and exclusions of the applicable insurance policy. The Carrier will determine coverage or lack of coverage under terms of the policy including any limitation endorsements, policy period and date of loss – the Appraisal Panel cannot determine coverage.

Indemnification of Appraisers & Umpire: The deliberation of the Appraisal Panel is confidential and exempt from depositions or suit in case the Award is challenged, or a bad faith claim is filed. Furthermore, to the maximum extent permitted by law, no party will assert any claims against the named Appraisers or named Umpire or their respective firms, seeking to hold them or their firms liable for any act or omission in performing their duties as an Appraiser or Umpire. All parties of the appraisal process (Insured's Appraiser, Carrier Appraiser and Umpire) agree to indemnification and hold harmless agreement protecting the appraisers from litigation arising out of the good faith discharge of their duties as appraisers.

 Carrier Appraiser: Robert Hovanec

 Date

04/05/2022

 Insured Appraiser: Shan Bell

 Date

04.04.2022

 Umpire: Donny Reed

 Date .

APP 107



Reed Insurance Adjusters, LLC.

11601 Mayfield Dr
Denton TX 76207
940-262-3307 Office
800-478-2041 Fax

Insured: Mario Rodriguez
Property: 651 Well Rd
Plainview, TX 79072

Estimator: H W "Donny" Reed, Jr. AIC RPA
Position: Owner-Sr. Adjuster
Company: Reed Insurance Adjusters, LLC
Business: 11601 Mayfield Dr
Denton, TX 76207

Business: (580) 678-6139
E-mail: reed@reedinsadj.com

Claim Number: 854453166010

Policy Number: OY07314794

Type of Loss: Appraisal

Date of Loss: 6/12/2017 12:00 AM
Date Inspected: 3/16/2022 12:00 AM

Date Received:
Date Entered: 3/28/2022

Price List: TXLB8X_MAR22
Restoration/Service/Remodel
Estimate: D7348

This estimate was prepared as umpire under the Appraisal provision of the policy

This estimate was prepared without consideration of any deductibles or prior payments.

Coverage or lack of coverage for noted damages is not determined by the Appraisal panel.

**Reed Insurance Adjusters, LLC.**

11601 Mayfield Dr
Denton TX 76207
940-262-3307 Office
800-478-2041 Fax

D7348**Roof**

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
Metal roofing - ribbed - 26 gauge - 1 1/8" to 1 1/2"	2,038.00 SF	6.25	413.61	2,630.22	15,781.33	(701.39)	15,079.94
R&R Roof vent - turtle type - Metal	3.00 EA	62.06	4.00	38.04	228.22	(19.00)	209.22
R&R Furnace vent - rain cap and storm collar, 6"	3.00 EA	84.97	8.03	52.58	315.52	(37.49)	278.03
Prime & paint roof vent	3.00 EA	30.20	1.80	18.48	110.88	(24.64)	86.24
R&R Ridge cap - metal roofing	112.00 LF	8.14	20.61	186.44	1,118.73	(32.58)	1,086.15
R&R Valley metal - (W) profile - painted	24.00 LF	7.79	8.14	39.02	234.12	(20.87)	213.25
R&R Flashing - pipe jack	4.00 EA	46.84	4.01	38.26	229.63	(19.01)	210.62
Prime & paint roof jack	4.00 EA	30.20	2.40	24.64	147.84	(32.85)	114.99
Digital satellite system - alignment and calibration only	1.00 EA	106.83	0.00	21.36	128.19	(0.00)	128.19
R&R Steel rake/gable trim - color finish	32.00 LF	6.02	6.49	39.82	238.95	(14.60)	224.35
R&R Eave trim for metal roofing - 29 gauge	190.00 LF	4.10	20.22	159.84	959.06	(35.13)	923.93
R&R Closure strips for metal roofing - inside and/or outside	190.00 LF	2.56	7.99	98.88	593.27	(18.87)	574.40
R&R Neoprene pipe jack flashing for metal roofing	5.00 EA	61.35	10.54	63.46	380.75	(15.05)	365.70
Digital satellite system - Detach & reset	1.00 EA	35.61	0.00	7.12	42.73	(0.00)	42.73
Roofer - per hour	3.00 HR	112.05	0.00	67.24	403.39	(0.00)	403.39
Allowance to check decking fasteners and repair as necessary							
Totals: Roof			507.84	3,485.40	20,912.61	971.48	19,941.13

Front Elevation

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
R&R Fascia - metal - 6"	15.58 LF	5.81	2.60	18.62	111.74	(0.00)	111.74
R&R Soffit - metal	60.42 SF	7.74	17.25	96.98	581.88	(0.00)	581.88
R&R Post - wood - 4" x 4" fence grade cedar or equal	2.00 EA	82.34	6.74	34.28	205.70	(60.31)	145.39
R&R 6" x 8" square treated wood post - laminated	20.00 LF	14.80	14.92	62.18	373.10	(8.93)	364.17
Paint/finish - fence post - wood	2.00 EA	15.45	0.18	6.22	37.30	(10.36)	26.94
Seal & paint wood siding	250.00 SF	1.60	9.49	81.90	491.39	(136.49)	354.90
R&R Wood door frame & trim - exterior - hardwood	20.00 LF	18.61	22.26	78.90	473.36	(18.60)	454.76
Paint door/window trim & jamb - Large - 2 coats (per side)	1.00 EA	31.23	0.44	6.32	37.99	(10.56)	27.43

D7348

4/4/2022

APP 109

Page: 2

EXHIBIT B-3

**Reed Insurance Adjusters, LLC.**

11601 Mayfield Dr
 Denton TX 76207
 940-262-3307 Office
 800-478-2041 Fax

CONTINUED - Front Elevation

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
R&R Exterior door - metal - insulated - flush or panel style	1.00 EA	328.15	19.78	69.60	417.53	(16.45)	401.08
Paint door slab only - 2 coats (per side)	1.00 EA	31.89	0.61	6.50	39.00	(10.83)	28.17
Door knob/lockset - Detach & reset	1.00 EA	19.50	0.00	3.90	23.40	(0.00)	23.40
R&R Storm door assembly - High grade	1.00 EA	303.71	17.33	64.20	385.24	(38.17)	347.07
Totals: Front Elevation			111.60	529.60	3,177.63	310.70	2,866.93

Left Elevation

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
R&R Soffit - metal	62.00 SF	7.74	17.70	99.50	597.08	(0.00)	597.08
Totals: Left Elevation			17.70	99.50	597.08	0.00	597.08

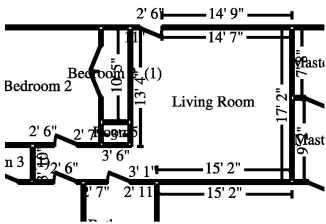
Other Structures

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
The carrier's estimate included the following outbuilding for damage. The homeowner completed repairs to the following buildings.							
Invoices attached							
1. Carport							
2. Lean -to							
3. Carport							
4. Shop							
5. Shop Front elevation							
6. Barn							
7. Well house							
8. Horse stables							
9. Fencing							
Per attached invoices	1.00 EA	33,460.27	0.00	0.00	33,460.27	(0.00)	33,460.27
Totals: Other Structures			0.00	0.00	33,460.27	0.00	33,460.27

Interior

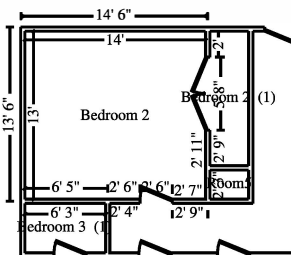
**Reed Insurance Adjusters, LLC.**

11601 Mayfield Dr
Denton TX 76207
940-262-3307 Office
800-478-2041 Fax

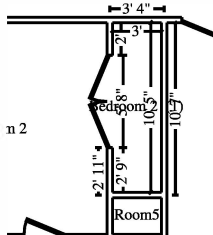
**Living Room****Height: 8'**

740.00 SF Walls	351.49 SF Ceiling
1091.49 SF Walls & Ceiling	351.49 SF Floor
39.05 SY Flooring	92.50 LF Floor Perimeter
92.50 LF Ceil. Perimeter	

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
R&R Batt insulation - 10" - R30 - paper / foil faced	351.49 SF	2.05	39.15	151.96	911.67	(21.58)	890.09
R&R 5/8" drywall - hung, taped, heavy texture, ready for paint	351.49 SF	3.29	24.36	236.16	1,416.93	(34.90)	1,382.03
Seal/prime then paint the walls and ceiling (2 coats)	1,091.49 SF	0.81	16.21	180.06	1,080.38	(300.10)	780.28
Mask and prep for paint - plastic, paper, tape (per LF)	92.50 LF	1.21	2.06	22.80	136.79	(38.00)	98.79
Mask the floor per square foot - plastic and tape - 4 mil	351.49 SF	0.22	1.74	15.80	94.87	(26.36)	68.51
Contents - move out then reset	1.00 EA	56.34	0.00	11.26	67.60	(0.00)	67.60
Final cleaning - construction - Residential	351.49 SF	0.25	0.00	17.58	105.45	(0.00)	105.45
Detach & Reset Light fixture	2.00 EA	51.48	0.00	20.60	123.56	(0.00)	123.56
Totals: Living Room			83.52	656.22	3,937.25	420.94	3,516.31

**Bedroom 2****Height: 8'**

432.00 SF Walls	182.00 SF Ceiling
614.00 SF Walls & Ceiling	182.00 SF Floor
20.22 SY Flooring	54.00 LF Floor Perimeter
54.00 LF Ceil. Perimeter	

**Subroom: Bedroom 2 (1)****Height: 8'**

214.67 SF Walls	31.25 SF Ceiling
245.92 SF Walls & Ceiling	31.25 SF Floor
3.47 SY Flooring	26.83 LF Floor Perimeter
26.83 LF Ceil. Perimeter	

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
Drywall patch / small repair, ready for paint	1.00 EA	73.84	0.28	14.82	88.94	(2.47)	86.47

**Reed Insurance Adjusters, LLC.**

11601 Mayfield Dr
Denton TX 76207
940-262-3307 Office
800-478-2041 Fax

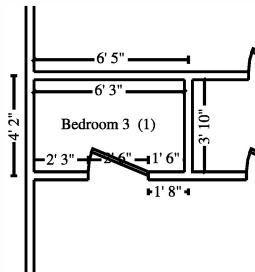
CONTINUED - Bedroom 2

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
Seal/prime then paint the walls and ceiling (2 coats)	859.92 SF	0.81	12.77	141.86	851.17	(236.44)	614.73
Mask and prep for paint - plastic, paper, tape (per LF)	80.83 LF	1.21	1.80	19.92	119.52	(33.20)	86.32
Mask the floor per square foot - plastic and tape - 4 mil	213.25 SF	0.22	1.06	9.60	57.58	(15.99)	41.59
Contents - move out then reset	1.00 EA	56.34	0.00	11.26	67.60	(0.00)	67.60
Final cleaning - construction - Residential	213.25 SF	0.25	0.00	10.66	63.97	(0.00)	63.97
Totals: Bedroom 2			15.91	208.12	1,248.78	288.10	960.68

**Bedroom 3****Height: 8'**

384.00 SF Walls
528.00 SF Walls & Ceiling
16.00 SY Flooring
48.00 LF Ceil. Perimeter

144.00 SF Ceiling
144.00 SF Floor
48.00 LF Floor Perimeter

**Subroom: Bedroom 3 (1)****Height: 8'**

161.33 SF Walls
185.29 SF Walls & Ceiling
2.66 SY Flooring
20.17 LF Ceil. Perimeter

23.96 SF Ceiling
23.96 SF Floor
20.17 LF Floor Perimeter

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
Drywall patch / small repair, ready for paint	1.00 EA	73.84	0.28	14.82	88.94	(2.47)	86.47
Seal/prime then paint the walls and ceiling (2 coats)	713.29 SF	0.81	10.59	117.68	706.03	(196.12)	509.91
Mask and prep for paint - plastic, paper, tape (per LF)	68.17 LF	1.21	1.52	16.80	100.81	(28.01)	72.80
Mask the floor per square foot - plastic and tape - 4 mil	167.96 SF	0.22	0.83	7.56	45.34	(12.60)	32.74
Contents - move out then reset	1.00 EA	56.34	0.00	11.26	67.60	(0.00)	67.60
Final cleaning - construction - Residential	167.96 SF	0.25	0.00	8.40	50.39	(0.00)	50.39
Totals: Bedroom 3			13.22	176.52	1,059.11	239.20	819.91

D7348

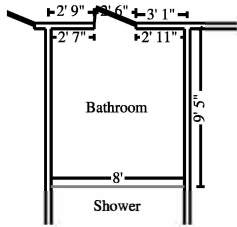
4/4/2022

Page: 5

APP 112

**Reed Insurance Adjusters, LLC.**

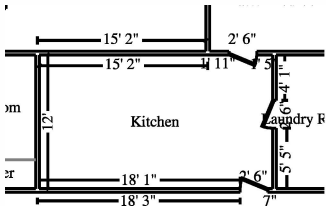
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940-262-3307 Office
800-478-2041 Fax

**Bathroom****Height: 8'**

214.67 SF Walls	75.33 SF Ceiling
290.00 SF Walls & Ceiling	75.33 SF Floor
8.37 SY Flooring	26.83 LF Floor Perimeter
26.83 LF Ceil. Perimeter	

Missing Wall**8' X 8'****Opens into SHOWER**

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
Drywall patch / small repair, ready for paint	1.00 EA	73.84	0.28	14.82	88.94	(2.47)	86.47
Seal/prime then paint the walls and ceiling (2 coats)	290.00 SF	0.81	4.31	47.84	287.05	(79.74)	207.31
Mask and prep for paint - plastic, paper, tape (per LF)	26.83 LF	1.21	0.60	6.62	39.68	(11.02)	28.66
Mask the floor per square foot - plastic and tape - 4 mil	75.33 SF	0.22	0.37	3.40	20.34	(5.64)	14.70
Contents - move out then reset	1.00 EA	56.34	0.00	11.26	67.60	(0.00)	67.60
Final cleaning - construction - Residential	75.33 SF	0.25	0.00	3.76	22.59	(0.00)	22.59
Totals: Bathroom			5.56	87.70	526.20	98.87	427.33

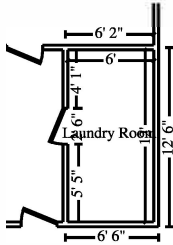
**Kitchen****Height: 8'**

528.00 SF Walls	252.00 SF Ceiling
780.00 SF Walls & Ceiling	252.00 SF Floor
28.00 SY Flooring	66.00 LF Floor Perimeter
66.00 LF Ceil. Perimeter	

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
Drywall patch / small repair, ready for paint	1.00 EA	73.84	0.28	14.82	88.94	(2.47)	86.47
Seal/prime then paint the walls and ceiling (2 coats)	780.00 SF	0.81	11.58	128.68	772.06	(214.46)	557.60
Mask and prep for paint - plastic, paper, tape (per LF)	66.00 LF	1.21	1.47	16.28	97.61	(27.11)	70.50
Mask the floor per square foot - plastic and tape - 4 mil	252.00 SF	0.22	1.25	11.34	68.03	(18.90)	49.13
Contents - move out then reset	1.00 EA	56.34	0.00	11.26	67.60	(0.00)	67.60
Final cleaning - construction - Residential	252.00 SF	0.25	0.00	12.60	75.60	(0.00)	75.60
Totals: Kitchen			14.58	194.98	1,169.84	262.94	906.90

**Reed Insurance Adjusters, LLC.**

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**Laundry Room****Height: 8'**

288.00 SF Walls	72.00 SF Ceiling
360.00 SF Walls & Ceiling	72.00 SF Floor
8.00 SY Flooring	36.00 LF Floor Perimeter
36.00 LF Ceil. Perimeter	

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
Drywall patch / small repair, ready for paint	1.00 EA	73.84	0.28	14.82	88.94	(2.47)	86.47
Seal/prime then paint the walls and ceiling (2 coats)	360.00 SF	0.81	5.35	59.40	356.35	(98.98)	257.37
Mask and prep for paint - plastic, paper, tape (per LF)	36.00 LF	1.21	0.80	8.88	53.24	(14.79)	38.45
Mask the floor per square foot - plastic and tape - 4 mil	72.00 SF	0.22	0.36	3.24	19.44	(5.40)	14.04
Contents - move out then reset	1.00 EA	56.34	0.00	11.26	67.60	(0.00)	67.60
Final cleaning - construction - Residential	72.00 SF	0.25	0.00	3.60	21.60	(0.00)	21.60
Totals: Laundry Room			6.79	101.20	607.17	121.64	485.53

Total: Interior			139.58	1,424.74	8,548.35	1,431.69	7,116.66
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Windows

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
Lube/recondition operable window	10.00 EA	101.91	1.15	204.06	1,224.31	(153.04)	1,071.27
Totals: Windows			1.15	204.06	1,224.31	153.04	1,071.27

Personal Property

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
BJ's ATV - Repair Invoice	1.00 EA	1,865.46	0.00	0.00	1,865.46	(0.00)	1,865.46
Totals: Personal Property			0.00	0.00	1,865.46	0.00	1,865.46

General

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
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**Reed Insurance Adjusters, LLC.**

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CONTINUED - General

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
Dumpster load - Approx. 40 yards, 7-8 tons of debris	1.00 EA	592.75	0.00	118.56	711.31	(0.00)	711.31
Dumpster load - Approx. 30 yards, 5-7 tons of debris	1.00 EA	520.00	0.00	104.00	624.00	(0.00)	624.00
Building Permit	1.00 EA	175.00	14.44	37.88	227.32	(0.00)	227.32
Temporary toilet - Minimum rental charge	1.00 EA	110.00	0.00	22.00	132.00	(0.00)	132.00
Totals: General			14.44	282.44	1,694.63	0.00	1,694.63

Labor Minimums Applied

DESCRIPTION	QUANTITY	UNIT PRICE	TAX	O&P	RCV	DEPREC.	ACV
Framing labor minimum*	1.00 EA	21.48	0.00	4.30	25.78	(0.00)	25.78
Heat, vent, & air cond. labor minimum*	1.00 EA	99.49	0.00	19.90	119.39	(0.00)	119.39
Fencing labor minimum*	1.00 EA	67.02	0.00	13.40	80.42	(0.00)	80.42
Electrical labor minimum*	1.00 EA	111.94	0.00	22.38	134.32	(0.00)	134.32
Totals: Labor Minimums Applied			0.00	59.98	359.91	0.00	359.91

Line Item Totals: D7348			792.31	6,085.72	71,840.25	2,866.91	68,973.34
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Grand Total Areas:

3,805.33 SF Walls	1,361.44 SF Ceiling	5,166.78 SF Walls and Ceiling
1,361.44 SF Floor	151.27 SY Flooring	475.67 LF Floor Perimeter
0.00 SF Long Wall	0.00 SF Short Wall	475.67 LF Ceil. Perimeter
1,361.44 Floor Area	1,468.11 Total Area	3,805.33 Interior Wall Area
2,732.38 Exterior Wall Area	157.67 Exterior Perimeter of Walls	
3,899.88 Surface Area	39.00 Number of Squares	0.00 Total Perimeter Length
125.00 Total Ridge Length	0.00 Total Hip Length	

**Reed Insurance Adjusters, LLC.**

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Coverage	Item Total	%	ACV Total	%
Dwelling	36,514.52	50.83%	33,647.61	48.78%
Other Structures	33,460.27	46.58%	33,460.27	48.51%
Contents	1,865.46	2.60%	1,865.46	2.70%
Total	71,840.25	100.00%	68,973.34	100.00%

**Reed Insurance Adjusters, LLC.**

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Summary for Dwelling

Line Item Total	29,636.49
Material Sales Tax	792.31
Subtotal	30,428.80
Overhead	3,042.86
Profit	3,042.86
Replacement Cost Value	\$36,514.52
Less Depreciation	(2,866.91)
Actual Cash Value	\$33,647.61
Net Claim	\$33,647.61
Total Recoverable Depreciation	2,866.91
Net Claim if Depreciation is Recovered	\$36,514.52

H W "Donny" Reed, Jr. AIC RPA
 Owner-Sr. Adjuster



Reed Insurance Adjusters, LLC.

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Summary for Other Structures

Line Item Total	33,460.27
Replacement Cost Value	\$33,460.27
Net Claim	\$33,460.27

H W "Donny" Reed, Jr. AIC RPA
Owner-Sr. Adjuster

**Reed Insurance Adjusters, LLC.**

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Summary for Contents

Line Item Total	1,865.46
Replacement Cost Value	\$1,865.46
Net Claim	\$1,865.46

H W "Donny" Reed, Jr. AIC RPA
 Owner-Sr. Adjuster

EXHIBIT B-4

TILLMAN  BATCHELOR
LLP

Mike Diksa
469.706.0990

mike.diksa@tbllp.com

April 18, 2022

Via Federal Express (Tracking No. 776607753166)

James Willis
Daly & Black, PC
2211 Norfolk Street, Suite 800
Houston, Texas 77098

Re: Case Name: *Mario Rodriguez v. Safeco Insurance Company of Indiana*
Claim No.: 040013426
Policy No.: OY7910811
Property: 651 Well Rd., Plainview, Texas 79072

Dear James:

I have enclosed two checks in this matter. The first check, No. 55413236, is dated April 12, 2022 and made payable to Mario Rodriguez, Prosperity Bank, and Daly & Black, P.C. in the amount of \$32,447.73. This amount represents the actual cash value ("ACV") portion of the appraisal award in the above-referenced matter after applying the \$25,000 Other Structures limit, the \$1,000 motorized land vehicles limit, and Safeco's prior payments. Your client has 365 days from the date of this payment to submit proof of repairs and/or replacement to receive recoverable depreciation.

The second check, No. 55412318, is dated April 12, 2022 and made payable to Mario Rodriguez and Daly & Black, P.C. in the amount of \$9,458.40. This amount represents any conceivable interest Plaintiff could allege to be owed under the Texas Prompt Payment of Claims Act on the above-referenced appraisal award payment. The interest was calculated using the applicable rate (10%) and conservatively assumes that interest began accruing no later than June 1, 2019, that date of Safeco's initial inspection of the Property in connection with the above-referenced claim.

Nothing in this letter, or in any previous communication, written or oral, by any representative of Safeco is intended to, and shall not, constitute a waiver by Safeco of its right to rely on any other term, provision, or condition of the Policy, or upon applicable law. Safeco's payment of the appraisal award and any potential interest owed on the award, shall not constitute, and should not be considered an admission of liability. Safeco continues to fully reserve its rights, and no act performed by Safeco in the investigation of the above-referenced matter is to be considered a waiver of any rights, remedies, or defenses either at law or under the Policy.

Sincerely,



Michael Diksa

Enclosures



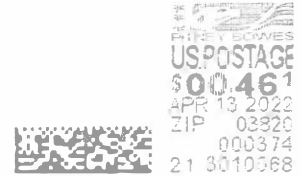
EXHIBIT B-4

VIS *002830*
PLANO, TX-IRVING SW HOMEOWNER
P.O. BOX 1525
DOVER, NH 03821-1525



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FIRST CLASS



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RECIPIENT

DALY & BLACK, P.C.
& MARIO RODRIQUEZ
& PROSPRITY BANK ISAOA/ATIMA
5605 N MAARTHUR BLVD., SUITE 560
C/O TILLMAN BATCHELOR LLP
IRVING TX 75038

178 CBU2AAB 75038



EXHIBIT B-4

APP 123

VIS *001878*
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DOVER, NH 03821-1525



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DALY & BLACK, P.C.
& MARIO RODRIQUEZ
5605 N MACARTHUR BLVD, SUITE 560
C/O TILLMAN BATCHELOR LLP
IRVING TX 75038

178 CBU2AAB 75038



EXHIBIT B-4

CLAIM OFFICE ADDRESS:
P.O. BOX 1525
DOVER, NH 03821-1525



CHECK REFERENCE 55412318	CHECK DATE 04/12/22
B. CODE 404	CHECK AMOUNT ***\$9458.40
	BLOCK NUMBER 001878

CONTACT: CLAIMS SERVICE DEPARTMENT
PHONE: 1-800-2CLAIMS

INSURED NAME: RODRIQUEZ, MARIO

CLAIMANT NAME: MARIO RODRIQUEZ

ACCIDENT DATE: 05/25/19

U/W CO: SAFECO INSURANCE COMPANY OF INDIANA
OSN: VV0101041201-002371
CLAIM NUMBER: 040013426-0001
POLICY NUMBER: OY7910811
INSURED OPERATOR:

COVERAGE	INVOICE NO	DATES OF SERVICE	CHARGES	PAID AMT	ADJUSTMENTS
BUILDING AND DWELLING			9458.40	9458.40	
TOTAL CHARGE:				9458.40	
TOTAL PAID:				9458.40	
TOTAL DEDUCTIBLE:				0.00	
TOTAL FEDERAL WITHHOLDING:				0.00	
CHECK AMOUNT:				9458.40	

INTEREST CALCULATED ON THE ACV APPRAISAL AWARD FOR DWELLING.

PLEASE REFERENCE CLAIM NO AND SEND THIS EOP WITH ALL CORRESPONDENCE

CAREFULLY DETACH CHECK BEFORE DEPOSITING - RETAIN STATEMENT FOR YOUR RECORDS

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT.

CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

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51-44/119
BANK OF AMERICA
HARTFORD, CT



*PAY*NINE*THOUSAND*FOUR*HUNDRED*FIFTY*EIGHT*DOLLARS*FORTY*CENTS*

OFFICE NO.	B. CODE	PAYMENT IDENTIFICATION	CHECK NUMBER	CHECK DATE
0900	404	CLAIM 040013426-0001	55412318	04/12/22

PAY ***\$9458.40

VOID IF NOT PRESENTED WITHIN 90
DAYS OF ISSUE DATE OF CHECK

PAY TO THE
ORDER OF

DALY & BLACK, P.C.
& MARIO RODRIQUEZ
5605 N MACARTHUR BLVD, SUITE 560
C/O TILLMAN BATCHELOR LLP
IRVING TX 75038

u-2 Per
APP 125

EXHIBIT B-4
11 55412318 1011900443 00224007206511

CLAIM OFFICE ADDRESS:

P.O. BOX 1525
DOVER, NH 03821-1525

Case 5:20-cv-00168-C Document 27 Filed 07/15/22 Page 128 of 133 PageID 275

A Liberty Mutual Company

B. CODE

404

CHECK REFERENCE

55413236

CHECK DATE

04/12/22

CHECK AMOUNT

**\$32447.73

BLOCK NUMBER

002830

PAGE 1 OF 1

U/W CO: SAFECO INSURANCE COMPANY OF INDIANA

OSN: VV0101041201-003323

CLAIM NUMBER: 040013426-0001

POLICY NUMBER: OY7910811

INSURED OPERATOR:

CONTACT: CLAIMS SERVICE DEPARTMENT

PHONE: 1-800-2CLAIMS

INSURED NAME: RODRIQUEZ, MARIO

CLAIMANT NAME: MARIO RODRIQUEZ

ACCIDENT DATE: 05/25/19

COVERAGE	INVOICE NO	DATES OF SERVICE	CHARGES	PAID AMT	ADJUSTMENTS
BUILDING AND DWELLING			33647.61	32447.73	12

TOTAL CHARGE: 33647.61

TOTAL PAID: 32447.73

TOTAL DEDUCTIBLE: 0.00

TOTAL FEDERAL WITHHOLDING: 0.00

CHECK AMOUNT: 32447.73

JUSTMENT CODE NOTES:

OFFSET FOR AMOUNT PREVIOUSLY PAID

NOTES

PAYMENT PURSUANT TO THE DWELLING ACV AWARD LESS PRIOR PAYMENTS.

PLEASE REFERENCE CLAIM NO AND SEND THIS EOP WITH ALL CORRESPONDENCE

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DOVER, NH 03821-1525



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HARTFORD, CT



*PAY*THIRTY*TWO*THOUSAND*FOUR*HUNDRED*FORTY*SEVEN*DOLLARS*SEVENTY*THREE*CENTS*

OFFICE NO.	B. CODE	PAYMENT IDENTIFICATION	CHECK NUMBER	CHECK DATE
0900	404	CLAIM 040013426-0001	55413236	04/12/22

PAY **\$32447.73

VOID IF NOT PRESENTED WITHIN 90 DAYS OF ISSUE DATE OF CHECK

PAY TO THE ORDER OF

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& MARIO RODRIQUEZ
& PROSPRITY BANK ISAOA/ATIMA
5605 N MAARTHUR BLVD., SUITE 560
C/O TILLMAN BATCHELOR LLP
IRVING TX 75038

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APP 126

EXHIBIT B-4

⑈ 554 13236 ⑈ ⑈ 0 1 19004 ⑈ 00220072065 ⑈

THE ORIGINAL DOCUMENT HAS A REFLECTIVE WATERMARK ON THE BACK. HOLD AT AN ANGLE TO VIEW WHEN CHECKING THE REFLECTIVE WATERMARK.

EXHIBIT B-5

From: TrackingUpdates@fedex.com
Subject: FedEx Shipment 776607753166: Your package has been delivered
Date: April 19, 2022 at 9:27 AM
To: diane.ferguson@tb-llp.com

Hi. Your package was
delivered Tue, 04/19/2022 at
9:25am.

Delivered to 2211 NORFOLK ST 800, HOUSTON, TX 77098
Received by S.VARGAS

OBTAIN PROOF OF DELIVERY

TRACKING NUMBER [776607753166](#)

FROM Mark Tillman
5605 N. MacArthur Blvd
Suite 560
Irving, TX, US, 75038

TO DALY & BLACK, P.C
James Willis
2211 Norfolk St
Suite 800

APP 128

HOUSTON, TX, US, 77098

REFERENCE	Rodriguez App Checks
SHIPPER REFERENCE	Rodriguez App Checks
SHIP DATE	Mon 4/18/2022 07:10 PM
DELIVERED TO	Receptionist/Front Desk
PACKAGING TYPE	FedEx Envelope
ORIGIN	Irving, TX, US, 75038
DESTINATION	HOUSTON, TX, US, 77098
NUMBER OF PIECES	1
TOTAL SHIPMENT WEIGHT	0.50 LB
SERVICE TYPE	FedEx Standard Overnight



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APP 129

EXHIBIT B-5



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All weights are estimated.

To track the latest status of your shipment, click on the tracking number above.

Standard transit is the date and time the package is scheduled to be delivered by, based on the selected service, destination and ship date. Limitations and exceptions may apply. Please see the FedEx Service Guide for terms and conditions of service, including the FedEx Money-Back Guarantee, or contact your FedEx Customer Support representative.

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Thank you for your business.



Dear Customer,

The following is the proof-of-delivery for tracking number: 776607753166

Delivery Information:

Status:	Delivered	Delivered To:	Receptionist/Front Desk
Signed for by:	S.VARGAS	Delivery Location:	
Service type:	FedEx Standard Overnight		
Special Handling:	Deliver Weekday		HOUSTON, TX,
		Delivery date:	Apr 19, 2022 09:25

Shipping Information:

Tracking number:	776607753166	Ship Date:	Apr 18, 2022
		Weight:	0.5 LB/0.23 KG
Recipient:		Shipper:	
HOUSTON, TX, US,		Irving, TX, US,	

Reference Rodriguez App Checks

Signature image is available. In order to view image and detailed information, the shipper or payor account number of the shipment must be provided.

APP 131

Thank you for choosing FedEx

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